

CEE

YEAR 10, ISSUE 11  
DECEMBER 2023

# LEGAL MATTERS

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

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## EDITORIAL NOTE

This December issue might seem a bit late relative to our usual publishing calendar. It is, in fact, exactly on time. Today marks exactly 10 years since CEELM ran its first news item. And we're celebrating this landmark with a special issue and the launch of the **CEELM10** interview series focused on reviewing the evolution of CEE legal (matters) markets over this past decade (see more on page 24).

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#### 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)

# ACROSS THE WIRE: DEALS AND CASES

Date Covered	Firms Involved	Deal/Litigation	Value	Country
30-Oct	Vavrovsky Heine Marth	Vavrovsky Heine Marth successfully represented the Bodner Group in proceedings before Austria's Constitutional Court regarding the development plan and building permit for the Quadrill urban development project in Linz, challenged as unconstitutional by one of the project's neighbors.	N/A	Austria
03-Nov	Dorda; Noerr; Taylor Wessing	Dorda, working alongside Noerr's German and Belgian offices, advised the Alcmene Group on its acquisition of a 25% stake in German oil refinery Miro. Taylor Wessing Germany reportedly advised Miro shareholder Esso Deutschland on the sale.	N/A	Austria
08-Nov	Allen Overy Shearman Sterling; Binder Groesswang; Kirkland & Ellis; Schoenherr	Schoenherr, working with Kirkland & Ellis, advised Davis-Standard on its acquisition of the Extrusion Technology Group from Dutch investor Nimbus. Binder Groesswang, working with Allen & Overy, advised Nimbus on the deal.	N/A	Austria
09-Nov	Deloitte Legal; Dorda; Schoenherr	Deloitte Legal advised Immofinanz on its sale of office properties in Wienerberg, Vienna, to S Immo. Dorda reportedly advised Immofinanz as well. Schoenherr reportedly advised S Immo.	N/A	Austria
14-Nov	Cerha Hempel	Cerha Hempel advised Tech2People on an over EUR 800,000 capital increase.	N/A	Austria
15-Nov	Gianni Origoni Grippo Cappelli; Radovanovic Stojanovic & Partners; Schindler Attorneys; Sidley Austin	Radovanovic, Stojanovic & Partners, working with Gianni & Origoni and Schindler Attorneys, advised the shareholders of SKS365 Group on the sale of SKS365, including its Serbian subsidiaries, to the Italian Lottomatica Group. Sidley advised the Lottomatica Group.	N/A	Austria; Serbia
25-Oct	Karanovic & Partners	Karanovic & Partners advised Burger King on entering the market of Bosnia and Herzegovina and the opening of its first restaurant in Sarajevo.	N/A	Bosnia and Herzegovina
16-Oct	Kinstellar; Sabev & Partners	Kinstellar advised Total Specific Solutions on its entry into the Bulgarian market through the acquisition of AS Systems. Sabev & Partners advised the sellers.	N/A	Bulgaria
16-Oct	CMS	CMS successfully represented Slovakian renewable energy investors Alpha Solar Group and Alpha Solar Invest in a case against the Bulgarian state regarding the recovery of cut feed-in tariffs for operational photovoltaic plants in Bulgaria.	N/A	Bulgaria
31-Oct	White & Case	White & Case successfully represented the Bulgarian Energy Holding and its Bulgargaz and Bulgartransgaz subsidiaries before the European Union's General Court in a case that saw the full annulment of a 2018 decision by the European Commission and related EUR 77 million fine imposed for foreclosing the Bulgarian gas supply market.	EUR 77 million	Bulgaria
08-Nov	CMS	CMS advised Naftogaz Slovakia – the local subsidiary of the national gas company of Ukraine – on securing a natural gas trading license in Bulgaria.	N/A	Bulgaria
08-Nov	Boyanov&Co; Schoenherr	Boyanov & Co advised the Aurelius Group on its acquisition of Lufthansa's catering operations in Bulgaria. Schoenherr advised Lufthansa.	N/A	Bulgaria
09-Nov	CMS; Djingov, Gouginski, Kyutchukov & Velichkov; Georgiev & Kolev	Djingov Gouginski Kyutchukov & Velichkov advised TokWise on its EUR 3 million equity investment round led by Encavis and including Vitosha Venture Partners-Fond I KD, KIC InnoEnergy SE, and Innovation Capital Fund KDA. Georgiev & Kolev advised Vitosha Venture Partners. CMS reportedly advised Encavis.	EUR 3 million	Bulgaria
13-Nov	Boyanov&Co	Boyanov & Co advised Black Sea Property on its acquisition of Grand Hotel Varna.	EUR 28.05 million	Bulgaria

Date Covered	Firms Involved	Deal/Litigation	Value	Country
15-Nov	Charles Russel Speechlys; Dimitrov Petrov & Co.; Konecna & Zacha	Dimitrov, Petrov & Co advised TPXImpact Holdings on the sale of its subsidiaries Questers Resourcing and Questers Bulgaria to Estonia-based software developer Nortal. Reportedly, Charles Russell Speechly and Konecna & Zacha advised Nortal.	EUR 8.7 million	Bulgaria
15-Nov	Orrick Herrington & Sutcliffe; Wolf Theiss	Orrick advised Ellia on its USD 1.5 million seed funding. Wolf Theiss reportedly advised Bulgarian Eleven Ventures in leading the funding round.	USD 1.5 million	Bulgaria
16-Oct	Divjak Topic Bahtijarevic & Krka	Divjak Topic Bahtijarevic & Krka advised Hungary-based fruit and tree nut farming company Apple Heaven on the purchase of shares in Rabo.	N/A	Croatia
18-Oct	Taylor Wessing	Taylor Wessing advised the Shape Corporation on its built-to-suit rental agreement in the Panattoni Park Pilsen West II industrial park.	N/A	Czech Republic
19-Oct	Clifford Chance; Reals	Reals advised the Mint Residential Fund on its acquisition of a 168-apartment built-to-rent residential project in Prague 9 from Czech developer Finep. Clifford Chance advised the seller.	N/A	Czech Republic
19-Oct	Clifford Chance	Clifford Chance advised a club of banks led by Ceska Sporitelna, Ceskoslovenska Obchodni Banka, and UniCredit Bank Czech Republic and Slovakia and including Komerčni Banka, Raiffeisenbank, and Raiffeisen Bank International AG on financing Carlyle's acquisition of Czech optical specialist Meopta.	N/A	Czech Republic
24-Oct	Havel & Partners; Schoenherr	Havel & Partners advised Turk Elektronik Para on its acquisition of Twisto Payments from Australia's Zip. Schoenherr reportedly advised Zip.	N/A	Czech Republic
27-Oct	Briza & Trubac; Vilimkova, Dudak & Partners	Briza & Trubac advised shareholder Vojtech Kubec on the sale of the Vcelka Group to EUC. Vilimkova Dudak & Partners reportedly advised EUC.	N/A	Czech Republic
30-Oct	Finreg Partners	Finreg Partners successfully advised Czech Republic-based crowdfunding platform Investown on obtaining the first European crowdfunding service provider license in the country.	N/A	Czech Republic
31-Oct	Havel & Partners	Havel & Partners advised the Sekyra Group on its acquisition of the remaining land in the vicinity of the Smichov railway station in Prague from Ceske Drahy.	N/A	Czech Republic
31-Oct	White & Case	White & Case advised the Trinity Bank on its acquisition of the Na Prikope 33 office building in Prague.	N/A	Czech Republic
02-Nov	Briza & Trubac	Briza & Trubac advised the TJ Spartak sports club in Rokytnice nad Jizerou on the sale of an ownership stake in a company operating a local ski resort to the Trigema group.	N/A	Czech Republic
06-Nov	Clifford Chance	Clifford Chance advised, _pro bono_, a joint venture entity including Dennik N, the Independent Press Foundation, the Aegis Foundation, and the Respekt editorial team on the acquisition of the Respekt Magazine in the Czech Republic.	N/A	Czech Republic
07-Nov	White & Case	White & Case advised EP Equity Investment III on a lock-up agreement relating to Casino Group's financial restructuring, alongside Fimalac and Attestor, with the Casino Group and some of its main creditors.	N/A	Czech Republic
08-Nov	Clifford Chance	Clifford Chance advised Komerčni Banka on a green loan for the Accolade Group.	N/A	Czech Republic
08-Nov	Wilsons; Wolf Theiss	Wolf Theiss advised Switzerland-based generic medicines company Sandoz on its long-term office lease agreement with RSJ Investments for business premises in Prague. Wilsons advised landlord RSJ Investments.	N/A	Czech Republic
09-Nov	Kinstellar; Mason Hayes & Curran	Kinstellar advised Mineral Ventures Invest on a reverse takeover transaction involving the acquisition of the majority stake in Irish mining and exploration company IMC Exploration Group. Dublin-based Mason Hayes Curran reportedly advised IMC.	N/A	Czech Republic
10-Nov	BBH	BBH advised Roier.cz on obtaining a crowdfunding license under the new EU crowdfunding regulation.	N/A	Czech Republic
24-Oct	CK Legal; JSK; Tarpan Legal	JSK advised the Genesis Private Equity Fund IV on its acquisition of the AV Media Group. CK Legal reportedly advised the buyer as well. Tarpan Legal reportedly advised AV Media.	N/A	Czech Republic; Poland
24-Oct	Kinstellar; Schoenherr	Schoenherr advised the BHM Group on the share-deal acquisition of the Trencin Industrial Park in Slovakia and related financing. Kinstellar advised the Nova Real Estate investment fund on the sale.	N/A	Czech Republic; Slovakia
16-Oct	Cobalt	Cobalt helped Tallinn-based Monemon obtain its e-money license from the Estonian Financial Supervision and Resolution Authority.	N/A	Estonia

Date Covered	Firms Involved	Deal/Litigation	Value	Country
20-Oct	Ellex (Raidla); TGS Baltic	TGS Baltic advised agriculture technology startup Paul-Tech on its EUR 1.4 million seed round led by Estonian venture capital fund Superangel and including SmartCap, Honey Badger Capital, EstBAN, Tatoli AS, Overkill VC, and Swedish business angels. Ellex Raidla advised Superangel.	EUR 1.4 million	Estonia
24-Oct	Ellex (Raidla)	Ellex Raidla advised energy storage technology company Skeleton Technologies on its EUR 108 million round with equity investors Siemens Financial Services and the Marubeni Corporation, among others.	EUR 108 million	Estonia
24-Oct	Cobalt	Cobalt advised Alexela on the acquisition of the remaining 50% stake in Rohe Solution from Finland's Haminan Energia.	N/A	Estonia
27-Oct	Ellex (Raidla)	Ellex Raidla advised Specialist VC on leading the EUR 380,000 pre-seed investment round for Estonian biotechnology start-up Gearbox Biosciences. UniTartu Ventures also participated in the round.	EUR 380,000	Estonia
30-Oct	Cobalt; TGS Baltic	Cobalt advised VKG on the sale of the VKG Elektrivorgud electricity distribution company in Estonia to Baltcap. TGS Baltic advised BaltCap.	N/A	Estonia
06-Nov	TGS Baltic	TGS Baltic advised TKM Finants on its successful application for a creditor's activity license from the Estonian Financial Supervision Authority for providing consumer credit services.	N/A	Estonia
08-Nov	Ellex (Raidla)	Ellex Raidla advised venture capital firm Tera Ventures on leading the EUR 755,000 pre-seed funding round into user experience library Flowstep. Specialist VC and several business angels joined the round.	EUR 755,000	Estonia
24-Oct	Oppenhoff; TGS Baltic; Triniti	TGS Baltic, working with Oppenhoff, advised Hawesko on its partnership with the Dunker Group through the acquisition of 50% of Dunker Group's shares. Triniti advised Arkastro OU, the holding company of Dunker Group founder Arvo Kask, who sold his stake to Hawesko.	N/A	Estonia; Latvia; Lithuania
03-Nov	Papapolitis & Papapolitis	Papapolitis & Papapolitis advised Intralot on its EUR 135 million pre-emptive share capital increase concluded in October 2023. Ambrosia Capital Hellas was the lead underwriter, with Euroxx Securities as an underwriter, and Piraeus Bank as the issue advisor.	EUR 135 million	Greece
08-Nov	Koutalidis	Koutalidis advised Florida-based alternative investment firm Waterwheel Capital Management on the bidding process and the binding agreement with Alpha Bank, Eurobank, the National Bank of Greece, and Piraeus Bank to purchase 95% of the Class B and Class C notes issued in the securitization of the Solar portfolio.	N/A	Greece
09-Nov	Bernitsas	Bernitsas advised Pandora on the opening of their first owned and operated store in Kifissia, Greece.	N/A	Greece
13-Nov	Karatzas & Partners; Reed Smith	Reed Smith advised Hive Energy on the sale of a 267-megawatt project to Juwi Hellas. Karatzas & Partners advised Juwi on the deal.	N/A	Greece
16-Oct	CMS; Noerr	CMS advised the Hungarian branch of Panattoni on a dual built-to-suit contract to develop two manufacturing facilities in Debrecen and Kecskemet, covering 30,000 square meters, for a German automotive supplier. Noerr reportedly advised the counterparty.	N/A	Hungary
23-Oct	Lakatos, Koves & Partners	Lakatos Koves and Partners advised Bristol-based industrial thread manufacturer Coats on the sale of its thread factory in Ujpest, Hungary.	N/A	Hungary
10-Nov	Baker McKenzie; DLA Piper	Baker McKenzie advised Deutsche Telekom IT Solutions on its headquarters relocation to the Hungarian Telekom building in Budapest. DLA Piper advised developer WING on the lease.	N/A	Hungary
09-Nov	BDK Advokati; Deloitte Legal; Dentons; Gladei & Partners; Nestor Nestor Diculescu Kingston Petersen; Norton Rose Fulbright; Schoenherr	BDK Advokati, Dentons, Nestor Nestor Diculescu Kingston Petersen, and Gladei & Partners advised Invenio Partners on the segmentation – together with Accession Capital Partners – of the vocational education division of the Link Group. The Antonic law firm in cooperation with Deloitte advised the Link Group and its two shareholders on the sale. Schoenherr and Norton Rose Fulbright reportedly advised ACP.	N/A	Hungary; Moldova; Romania; Serbia; Turkiye
01-Nov	DLA Piper; Schoenherr	DLA Piper advised Romanian grain and oilseed trader East Grain on the sale of a majority stake in the company and its Hungarian subsidiary to the Czech Republic's Agrofert group. Schoenherr advised the buyer.	N/A	Hungary; Romania
25-Oct	Cobalt	Cobalt advised the Amber Beverage Group Holding on listing the notes from its EUR 30 million April 2023 bond issuance on the Nasdaq Baltic Bond List.	EUR 30 million	Latvia

Date Covered	Firms Involved	Deal/Litigation	Value	Country
27-Oct	TGS Baltic	TGS Baltic helped Lenoka obtain permission from the Competition Council to acquire the lease rights and open a Mego store at the Driksas 4 location in Jelgava – which was previously leased by Maxima Latvija.	N/A	Latvia
27-Oct	Cobalt	Cobalt advised real estate developer and manager Linstow Baltic on its sale of a 3.6-hectare land plot in Riga to Rimi Latvia for EUR 8 million.	EUR 8 million	Latvia
09-Nov	Cobalt; Eversheds Sutherland	Cobalt advised Eco Baltia on its second EUR 10 million issuance of three-year bonds, conducted as a private placement with arranger Luminor Bank and distributor Siauliu Bankas. Eversheds Sutherland was the bondholders' trustee.	EUR 10 million	Latvia
03-Nov	Taylor Wessing	Taylor Wessing advised Lithuania's Vinted Go on its acquisition of Dutch logistics company Homerr.	N/A	Lithuania
16-Oct	B2RLaw	B2RLaw advised Danish wind turbine manufacturer Vestas on its acquisition of the ST3 Offshore factory in Szczecin – which had gone bankrupt in 2020 – during the sixth tender for its sale.	N/A	Poland
16-Oct	Allen & Overy; Clifford Chance	Clifford Chance advised UniCredit and the other dealers on an update to Bank Millennium's EUR 3 billion EMTN program and two related transactions: a EUR 400 million issuance of fixed to floating rate senior non-preferred notes; and a EUR 100 million private placement of senior non-preferred notes. Allen & Overy reportedly advised the issuer.	EUR 500 million	Poland
16-Oct	Clifford Chance; Grzesiak & Partners	Clifford Chance advised Hillwood on the acquisition of the Hillwood & LCube Wroclaw East industrial and warehouse complex property from LCube. Grzesiak & Partners advised LCube.	N/A	Poland
18-Oct	Dentons; SSW Pragmatic Solutions; Tomczykowski Tomczykowska	Dentons advised Syntaxis Capital on its investment in the LuxVet Group. Tomczykowski Tomczykowska advised LuxVet Group investor Cornerstone Investment Management. SSW Pragmatic Solutions advised LuxVet.	N/A	Poland
19-Oct	Domanski Zakrzewski Palinka; Schoenherr	Schoenherr, working with Hamburg's Lawentus, advised Frankfurt-listed Beta Systems Software on the full acquisition of Polish software company InfiniteData from its founders. Domanski Zakrzewski Palinka reportedly advised the sellers.	N/A	Poland
20-Oct	Clifford Chance; Dentons	Clifford Chance advised Eiffel Transition Infrastructure on the joint venture with Optima Wind to establish WindLight. Dentons advised Optima Wind.	N/A	Poland
20-Oct	Rymarz Zdort Maruta; Weil, Gotshal & Manges	Rymarz Zdort Maruta, working with Weil Gotshal & Manges, advised TCV on the accelerated bookbuilding process for Grupa Pracuj shares.	N/A	Poland
20-Oct	Baker McKenzie	Baker McKenzie advised the European Leasing Fund on its PLN 340 million bond issuance as part of the company's PLN 2 billion issuance program. The firm also advised dealer and issuance agent mBank.	PLN 340 million	Poland
20-Oct	Greenberg Traurig	Greenberg Traurig advised KI Chemistry on further acquisitions of shares in Ciech to reach over 95% of voting rights in the company.	N/A	Poland
20-Oct	B2RLaw	B2RLaw advised Everfield UK Limited on its acquisition of Polish worktime planning software company Grafik Optymalny.	N/A	Poland
23-Oct	Gessel	Gessel advised WSE-listed company Creotech Instruments on a non-brokered public offering conducted under an accelerated book-building procedure worth approximately PLN 60 million.	PLN 60 million	Poland
23-Oct	DLA Piper; Linklaters	Linklaters advised Panattoni BTS on the construction of a factory for Maxcess. DLA Piper advised a group of private investors represented by Albaluna Investments.	N/A	Poland
24-Oct	DLA Piper; Greenberg Traurig	Greenberg Traurig advised sole global coordinator and bookrunner Santander Bank Polska on Polenergia's PLN 750 million share issuance.	PLN 750 million	Poland
26-Oct	Gessel	Gessel advised Archidoc on its investment in Business Archiv.	N/A	Poland
30-Oct	JDP; Pierog & Partners	JDP advised the Warsaw Ghetto Museum on a construction tender procedure regarding the selection of a designer and a general contractor. Pierog & Partners reportedly advised on the procedure as well.	N/A	Poland
30-Oct	BNT Attorneys	BSJP BNT advised JSK Architekci on its winning bid during public contract award proceedings for the design of the Air Traffic Control Tower of Centralny Port Komunikacyjny – including representation in three appeal proceedings before Poland's National Appeals Chamber.	N/A	Poland

Date Covered	Firms Involved	Deal/Litigation	Value	Country
31-Oct	Act Legal (BSWW)	Act BSWW advised Victoria Dom in obtaining the approval of the Financial Supervision Commission for the company's second public bond issuance program prospectus, for an up to PLN 200 million public offering of bearer bonds.	PLN 200 million	Poland
31-Oct	SSK&W; Taylor Wessing	SSK&W, working alongside Berlin-based Lindenpartners, advised Aper Ventures and Adamed Technology on their investment in Inuru. Taylor Wessing reportedly advised Inuru.	N/A	Poland
03-Nov	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised Orlen Poludnie on an EPC contract for the construction of an oil pressing plant in Ketrzyn, valued at approximately PLN 850 million. The contractor for the investment will be a consortium of companies including Polimex Mostostal and AB Industry.	PLN 850 million	Poland
03-Nov	Baker McKenzie	Baker McKenzie successfully represented the interests of Minova Ekochem before the Supreme Court of Poland regarding a competition case.	N/A	Poland
06-Nov	Thommessen Law Firm; Wiersholm Law Firm; WKB Wiercinski Kwecinski Baehr; Wolf Theiss	WKB Lawyers and Wolf Theiss, working alongside Norway-based Advokatfirmaet Wiersholm, advised Orkla on the sale of a 40% stake in Orkla Food Ingredients to Rhone. Norway's Thommessen reportedly advised Rhone.	N/A	Poland
08-Nov	Linklaters; White & Case	White & Case advised Poland's Bank Gospodarstwa Krajowego on its USD 1 billion issuance of five-year 6.25% bonds guaranteed by the State Treasury of the Republic of Poland, with the proceeds earmarked for the Armed Forces Support Fund. Linklaters advised the joint lead managers.	USD 1 billion	Poland
08-Nov	White & Case	White & Case advised PKO Bank Hipoteczny on its PLN 750 million issuance of mortgage-covered bonds due November 2026.	PLN 750 million	Poland
10-Nov	Tomczykowski Tomczykowska; Wardynski & Partners	Wardynski & Partners advised Senacor Technologies on its acquisition of Finanteq. Tomczykowski Tomczykowska advised the sellers.	N/A	Poland
10-Nov	CMS; ENSAfrica	CMS advised Bank Gospodarstwa Krajowego and Korporacja Ubezpieczen Kredytow Eksportowych on a EUR 23 million direct financing for the Treasury of the Republic of Rwanda for the purchase of a Poland-produced milk cooling system. ENSAfrica reportedly advised BGK on Rwandan legal matters.	EUR 23 million	Poland
10-Nov	CK Legal	CK Legal advised Answear.com on its PLN 29 million secondary public offering on the Warsaw Stock Exchange.	PLN 29 million	Poland
10-Nov	Clifford Chance; Tomczykowski Tomczykowska	Clifford Chance advised Cookie Information on its merger with Piwik PRO. Tomczykowski Tomczykowska advised Piwik PRO.	N/A	Poland
15-Nov	Dentons; Gide Loyrette Nouel	Gide Loyrette Nouel advised the LDC Group company Drosed Holding S.A. on its acquisition of shares in Indykpol S.A. from Rolmex S.A. Dentons advised the seller.	N/A	Poland
15-Nov	JDP; Tomczak & Partners	JDP advised the JAF Group on the acquisition of DLH Global. Tomczak & Partners reportedly advised the sellers.	N/A	Poland
16-Oct	Dentons; Musat & Asociatii	Musat & Asociatii advised Naxxar Renewable Energy on the sale of a 60% stake in the 685.6-megawatt Naxxar Wind Farm Four in Tulcea County to Polenergia, with an option for the remaining 40%. Dentons advised Polenergia.	N/A	Poland; Romania
19-Oct	Noerr	Noerr advised Romanian corrugated cardboard and tissue paper company Vrancart on the National Recovery and Resilience Plan financing for its construction of a 20-megawatt photovoltaic park.	N/A	Romania
20-Oct	Baker McKenzie; Garrigues; Mattos Filho; Stratulat Albulescu; Taylor Wessing	Stratulat Albulescu, working with Taylor Wessing, advised the Mitel Group on its acquisition of Unify from the Atos Group. Garrigues and Mattos Filho reportedly advised Mitel as well. The French office of Baker McKenzie reportedly advised Atos.	N/A	Romania
30-Oct	Filip & Company	Filip & Company advised Romanian book-borrowing company Bookster on the setup and launch of its Booksprint self-publishing platform aimed at aspiring authors.	N/A	Romania
31-Oct	Nestor Nestor Diculescu Kingston Petersen; Wolf Theiss	Wolf Theiss advised CVI on subscribing to all the bonds issued by Romania's Impact Developer & Contractor in a recent corporate note issuance worth EUR 8 million. Nestor Nestor Diculescu Kingston Petersen advised the issuer.	EUR 8 million	Romania



Date Covered	Firms Involved	Deal/Litigation	Value	Country
31-Oct	LC Legalproof; RTPR	RTPR advised IPS Solutions on its acquisition of a majority stake in Romania's Avelgo. LC Legal Proof advised Avelgo founder and owner Mihai Tataran on the sale.	N/A	Romania
01-Nov	CMS; GNP Guia Naghi And Partners; RTPR; White & Case	White & Case and RTPR advised MidEuropa on its EUR 1.3 billion sale of Romania's Profi supermarket chain to Dutch-Belgian listed retail and wholesale company Ahold Delhaize. CMS and GNP Guia Naghi & Partners advised Ahold Delhaize on the acquisition.	EUR 1.3 billion	Romania
02-Nov	Pelipartners	Peli Partners advised the Mitsubishi Chemical Group on the transfer of its Qualicaps shares to Roquette Freres.	N/A	Romania
03-Nov	Clifford Chance; RTPR	Clifford Chance Badea advised private investment fund JC Flowers & Co on its sale of Romania's First Bank to Intesa Sanpaolo. RTPR advised the Intesa Sanpaolo Bank.	N/A	Romania
07-Nov	Revnic, Cristian Si Asociatii	Revnic Cristian & Associates successfully represented the Declic association before the Cluj County Court in challenging the legality of the environmental permit for a gold and copper mining project operated by Canada's Euro Sun Mining and its Samax Romania subsidiary in the Apuseni mountains in Hunedoara County.	N/A	Romania
08-Nov	Clifford Chance	Clifford Chance Badea advised Romanian oil and gas company OMV Petrom on the delisting of its global depository receipts from the London Stock Exchange.	N/A	Romania
10-Nov	Todelia Sandu	Todeila Sandu advised Bucharest-based VR Business Capital on its acquisition of the Rembrandt Art Center network in Romania.	N/A	Romania
15-Nov	Hammond Partnership	Hammond Partnership advised the shareholders of Eminus Software on the sale of the company to Fortech.	N/A	Romania
16-Oct	BDK Advokati; JPM & Partners; Marjanovic Law	BDK Advokati advised Waberer's International on its acquisition of a 55% stake in the MD International distribution company in Serbia, with an option for the remaining 45%. JPM & Partners advised MDI shareholder Dragoslav Micic. Marjanovic Law reportedly advised the other sellers.	N/A	Serbia
31-Oct	Petrovic Legal	Petrovic Legal advised SPS ME on its acquisition of Gulf International Pipe Industry from the Gulf Investment Corporation, the Arkan Group, Posco Holdings, the Oman Investment Corporation, and Capitoline Holding Limited.	N/A	Serbia
03-Nov	NKO Partners	NKO Partners advised Rock Flow Dynamics on its acquisition of a development center in Belgrade and entry into the Serbian market.	N/A	Serbia
09-Nov	NKO Partners	NKO Partners advised Dr. Max on its acquisition of the Dr. Ristic pharmacy chain from MediGroup SEE.	N/A	Serbia
09-Nov	Cvjeticanin & Partners	Cvjeticanin & Partners advised Inclusio on securing EUR 50,000 in seed-phase financial support from the EBRD.	EUR 50,000	Serbia
10-Nov	NKO Partners; Radovanovic Stojanovic & Partners	NKO Partners advised Sopharma on its acquisition of Pharmanova. Radovanovic Stojanovic & Partners advised the seller.	N/A	Serbia
15-Nov	Karanovic & Partners	Karanovic & Partners advised Rudis on the construction of the Alibunar I wind farm development. Karanovic & Partners also advised PLC Internego, which will purchase energy produced in the wind farm on the basis of a long-term PPA.	N/A	Serbia
24-Oct	Havel & Partners; Majernik & Mihalikova	Majernik & Mihalikova advised Blockmate on its EUR 1.5 million seed round led by Erste's Seed Starter with the participation of various Slovak and foreign VC funds. Havel & Partners reportedly advised Seed Starter.	EUR 1.5 million	Slovakia
25-Oct	GHS Legal; Kinstellar; Reynolds Porter Chamberlain	Kinstellar, working with Reynolds Porter Chamberlain, advised Ingersoll Rand on the full acquisition of Slovakia's Oxywise. GHS Legal advised the sellers.	N/A	Slovakia
16-Oct	Clifford Chance; Clifford Chance (Ciftci Attorney Partnership)	Clifford Chance and its Turkish affiliate Ciftci Attorney Partnership advised joint bookrunners BNP Paribas, Goldman Sachs, JP Morgan Securities, Deutsche Bank, Emirates NBD, MUFG Securities EMEA, PNC Capital Markets, and Bank of China (Europe) on the successful USD 800 million offering of 9.50% senior secured notes by WE Soda Holdings Investment.	USD 800 million	Turkiye
16-Oct	Dentons (BASEAK)	Dentons Turkish affiliate Balcioglu Selcuk Ardiyok Keki advised Adsby on its seed funding round led by Inveo Ventures and including KT Portfoy Yonetimi Lonca GSYF and angel investors.	N/A	Turkiye

Date Covered	Firms Involved	Deal/Litigation	Value	Country
17-Oct	Cetinkaya Law Firm	The Cetinkaya Law Firm advised Merzigo on its monetization agreements with the Dogus Media Group and the Fox TV channel.	N/A	Turkiye
18-Oct	White & Case (GKC Partners)	White & Case Turkish affiliate GKC Partners advised Zurich Insurance Group subsidiary Zurich Sigorta on its EUR 5 million acquisition of 99.78% of the issued share capital of Mapfre Yasam Sigorta from Mapfre Sigorta AS.	EUR 5 million	Turkiye
20-Oct	Aksan	The Aksan law firm advised APY Ventures on its investment in Istanbul-based children-focused computer games company Gamester Kids.	N/A	Turkiye
23-Oct	Turunc	Turunc advised Bogazici Ventures on its investment in Cerebrum Tech.	N/A	Turkiye
24-Oct	Allen & Overy; Dentons (BASEAK)	Dentons Turkish affiliate Balcioglu Selcuk Ardiyok Keki advised Hedef Filo on its acquisition of Letgo Mobil. The Amsterdam office of Allen & Overy reportedly advised OLX Autos on the sale.	N/A	Turkiye
30-Oct	Dentons (BASEAK)	Dentons Turkish affiliate Balcioglu Selcuk Ardiyok Keki advised Iffco Singapore on its acquisition of Felda Iffco Food Industry and Trade in Turkiye.	N/A	Turkiye
08-Nov	Baker Mckenzie (Esin Attorney Partnership)	Baker McKenzie Turkish affiliate Esin Attorney Partnership advised Akbank on securing a 367-day syndicated loan from international markets in two tranches: USD 265.5 million and EUR 318.45 million.	USD 265.5 million; EUR 318.45 million	Turkiye
10-Nov	Kinstellar (Gen Temizer Ozer)	Kinstellar Turkish affiliate Gen Temizer Ozer advised Property Finder and Zingat on the sale of 100% of Zingat to Hepsieklam and Property Finder's subsequent share subscription into Hepsieklam.	N/A	Turkiye
18-Oct	Sayenko Kharenko	Sayenko Kharenko advised an ad-hoc group of noteholders in connection with the consent solicitation launched by Naftogaz to amend and extend its USD 335 million in 7.375% notes due 2022.	USD 335 million	Ukraine
20-Oct	Sayenko Kharenko	Sayenko Kharenko advised the European Fund for Southeast Europe on its EUR 4 million local currency equivalent loan to Bank Lviv for on-lending to micro, small, and medium enterprises.	EUR 4 million	Ukraine
30-Oct	Avellum	Avellum advised JSC Integrity Capital on obtaining the merger control clearance of the Antimonopoly Committee of Ukraine for its acquisition of shares in Lanita Invest – an indirect co-owner of the Ocean Plaza shopping and entertainment complex in Kyiv.	N/A	Ukraine
03-Nov	Integrites	Integrites advised the Hypra Fund on its USD 10 million acquisition of a minority stake in US-Ukrainian digital product manufacturer Trinetix.	USD 10 million	Ukraine



### Deals and Cases:

- Full information available at: [www.ccelegalmatters.com](http://www.ccelegalmatters.com)
- Period covered: October 16, 2023 - November 15, 2023

### 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)

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ATTORNEYS AT LAW

# ON THE MOVE: NEW HOMES AND FRIENDS

## Turkiye: Bicer Guner Attorneys-at-Law Opens Doors in Istanbul

By Radu Neag (October 16, 2023)

Former Guner Law Office Partner Burcak Kurt Bicer and Department Head Can Guner left the team to set up the new Bicer Guner Attorneys-at-Law firm in Istanbul as Partners.

Managing Partner Bicer focuses on corporate/M&A, banking-finance, employment, data protection, and real estate. She spent almost nine years with the Guner Law Office, starting as a Senior Associate in 2014, becoming a Managing Associate in 2015, and a Partner in 2017. Before that, she was a Senior Associate with Somay Attorneys At Law, where she spent almost ten years. She started her career as an Intern with FortisBank in 2004.

Founding Partner Guner focuses on litigation, IP, labor, compliance, commercial, and white-collar crime matters. He previously spent five and a half years with the Guner Law Office, as a Department Head, starting in 2018. The same year, he spent six months as Chief Legal Counsel for the Teknokon Group. Earlier, he spent six years with ELIG as a Senior Associate. He started his career at what was then Pekin & Bayar in 2009 as an Associate. ■

## Turkiye: Turkish Firm Erdem & Erdem Sets Up Shop in Amsterdam

By Radu Neag (October 20, 2023)

Erdem & Erdem has announced a new office in the Netherlands has opened for business on October 9, 2023. The Amsterdam office is the firm's third, after the inaugural office in Izmir opened in 1986, and the firm's second office, in Istanbul, opened in 2001.

The new office's point of contact seems to be Senior Associate Tilbe Birengel. She focuses on arbitration and litigation

and has been with the firm since 2016. Earlier, she was a Legal Intern with Gun + Partners, for two years. She has an LLM degree from Leiden University. ■

## Romania: SLV Legal Morphs into Lexters

By Radu Neag (November 8, 2023)

Former SLV Legal Partners Alexandru Stanescu, Irina Vasile, and Tudor Velea have recently announced the rebranding of their outfit to Lexters – a Bucharest-based boutique law firm focusing on CEE tech companies and start-ups – and unveiled a new partnership with the Rubik Hub.

Stanescu specializes in new technologies, capital markets, private equity, consumer and commercial law, and arbitration. He joined the SLV Legal team four years ago. Earlier, he spent over a year with the GIN Masternode Platform as Chief Legal Officer, two years as a Visiting Lawyer with Baker Botts between 2017 and 2019, and over four years with the World Bank.

Vasile leads the Lexters IP practice and co-heads, together with Velea and Stanescu, the firm's M&A practice. She's also a franchise and data protection specialist. She joined the former SLV Legal team a year ago, in November 2022. Before that, she was a Partner with ZVD Attorneys for almost five years, between, 2018 and 2022. Earlier, she spent eight and a half years with PNSA, the final two of which as a Senior Lawyer.

Velea has over 15 years of experience focusing on venture capital, private equity, M&A, project finance, and real estate. He works in both Bucharest and Paris and joined his current team back in 2019. Before that, he was a General Counsel for Vlerick Group Private Equity, between 2008 and 2016. Earlier, he spent over a year as a Managing Associate for Salans, two and a half as a Senior Associate with White & Case, and four with Debevoise & Plimpton in New York between 2000 and 2004. ■

## PARTNER APPOINTMENTS

Date	Name	Practice(s)	Firm	Country
31-Oct	Katarzyna Ignatowicz-Debska	Banking/Finance; Litigation/Disputes	MKZ Partners	Poland
10-Nov	Mateusz Madry	Life Sciences	DZP	Poland
9-Nov	Milena Radulovic	Corporate/M&A; Banking/Finance	CT Legal	Serbia

## PARTNER MOVES

Date	Name	Practice(s)	Moving From	Moving To	Country
2-Nov	Adam Milosz	Real Estate	Argon Legal	Maze Legal Milosz i Zalewski	Poland
10-Nov	Anna Partyka-Opiela	Life Sciences	Domanski Zakrzewski Palinka	Rymarz Zdort Maruta	Poland
2-Nov	Emil Zalewski	Litigation/Disputes	Argon Legal	Maze Legal Milosz i Zalewski	Poland
10-Nov	Marcin Pieklak	Life Sciences	Domanski Zakrzewski Palinka	Rymarz Zdort Maruta	Poland
10-Nov	Michal Czarnuch	Life Sciences	Domanski Zakrzewski Palinka	Rymarz Zdort Maruta	Poland
10-Nov	Tomasz Kaczynski	Life Sciences	Domanski Zakrzewski Palinka	Rymarz Zdort Maruta	Poland
8-Nov	Alexandru Stanescu	TMT/IP; Capital Markets; Private Equity	SLV Legal	Lexters	Romania
8-Nov	Irina Vasile	Corporate/M&A; TMT/IP	SLV Legal	Lexters	Romania
8-Nov	Tudor Velea	Corporate/M&A; Private Equity	SLV Legal	Lexters	Romania
16-Oct	Burcak Kurt Bicer	Corporate/M&A; Banking/Finance; Labor; Real Estate	Guner Law Office	Bicer Guner Attorneys-at-Law	Turkiye
16-Oct	Can Guner	Litigation/Disputes; Labor; TMT/IP	Guner Law Office	Bicer Guner Attorneys-at-Law	Turkiye
31-Oct	Yaroslav Ognevuyk	TMT/IP	Sayenko Kharenko	Ambassadors Law Firm	Ukraine

## IN-HOUSE MOVES AND APPOINTMENTS

Date	Name	Moving From	Company/Firm	Country
6-Nov	Balazs Tomaj	MVM	Kinstellar	Hungary
19-Oct	Maciej Hajewski	Willis Towers Watson	PIB Group	Poland
19-Oct	Andreea-Paula Armanu-Costache	Linklaters	European Investment Fund	Romania
17-Oct	Fatos Laleoglu Aydin	TAV Construction	Samsung	Turkiye
20-Oct	Soley Guzel	Roche Pharmaceuticals	Roche Diagnostics Asia-Pacific	Turkiye
24-Oct	Emre Botan Kumet	Turk Telekom	Copyright Capital	Turkiye
3-Nov	Damla Aygun Yararca	Novo Nordisk	Novo Nordisk	Turkiye

# THE BUZZ

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

## Serbia's Bracing for a Slowdown: A Buzz Interview with Nenad Popovic of JPM Partners

By Andrija Djonovic (November 17, 2023)



Between upcoming elections and the situation in Kosovo, Serbia has plenty of reasons to expect a slowdown in the upcoming period, even if current activity levels remain, at times, surprisingly high according to JPM Partners

Senior Partner Nenad Popovic.

“For the last two months, everybody was talking about the incoming elections - which are slotted to take place on December 17,” Popovic begins. “This, along with the events that recently took place in Kosovo, has shaped the discourse around the economic repercussions and potential pitfalls that we might collectively experience,” he says.

“As far as the elections are concerned, the legal market always experiences a slowdown - especially M&A or foreign investments,” Popovic continues. “This slowdown, if not a full stop, usually starts with the announcement of the elections and lasts all the way up to the formation of a new government, with investors being cautious about their positions,” he explains. “While there has not yet been any tangible slowdown, the legal market is bracing for a phase of reduced activity. Moreover, with the upcoming orthodox holidays, January has traditionally been a period of a slower pace, which we expect to decelerate matters.”

Additionally, Popovic reports that since the elections were announced, “legislative actions have halted, with the current government putting everything on hold. It’s challenging to predict the election results and the duration of potential negotiations for a new government, but until that occurs - we do not expect there to be much to report from the legislative front.”

Continuing, Popovic says that “the Kosovo situation is primarily an EU issue for us. As the EU is our largest foreign investor, any significant deterioration there could slow down our economy,” he says. Although there have been some red flags, Popovic reports that “no concrete investment slowdown from the EU has occurred yet. However, these political issues are beyond our control, so we must prepare for any eventuality.”

Moreover, commenting on the current status of the economy, Popovic says that, “despite a 15.5% inflation rate and an overall economic slowdown, there has been vibrancy.” Specifically, he mentions the booming real estate sector where “the prices are still very high for new projects, and are, indeed, disproportionate to the purchasing power in Serbia right now. Still, surprisingly, all projects that came to the fore were sold - which gave rise to questions of the origin of the funds for all of these acquisitions,” he explains.

Finally, Popovic mentions that the renewable energy sector hasn’t seen a slowdown either. “There’s significant investor interest here. However, with the lithium extraction issue with Rio Tinto – there have been constitutional and judicial review concerns at play that might affect the entire sector soon,” he reports. “Also, I must mention that the car part production sector has been increasingly active, with many investors entering the market,” he concludes. ■

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## Floods and Taxes in Slovenia: A Buzz Interview with Andrej Fatur of Fatur & Menard

By Andrija Djonovic (November 20, 2023)



With the aftermath of the devastating floods that hit Slovenia this year still being felt across multiple sectors, the country is also facing legal challenges – from new taxation policies to upheavals in the healthcare system – according to Fatur Menard Partner Andrej Fatur.

“Floods have caused significant damage to Slovenia, with the subsequently emerging legal ripples dominating the legal landscape, particularly in environmental law and insurance claims,” Fatur begins. “The damage to infrastructure has raised questions about liability and compensation, which are complex and will require thorough legal scrutiny.”

In the wake of the floods, the Slovenian government began discussing the possibility of additional taxes being introduced to counteract the damages. Specifically, Fatur mentions a new tax on banks. “This wasn’t a public discussion before the floods,” he says. “This move is ongoing and poses a significant challenge for lawyers in banking and finance, dealing with the newly proposed framework as well as the potential constitutional challenges coming out of it.”

Taxes are a bit of a hot ticket in Slovenia, given that, as Fatur puts it, a “more left-wing government, elected last year, promised tax reforms, which usually signals tax increases for the country. There’s been a pledge to not introduce additional taxes on natural persons but to foresee taxes on companies, which caused a backlash in the corporate community,” he explains. Such issues come as the country “grapples with the tail-end of COVID-19, the ongoing war, and its effects on energy prices and inflation. These pressures have a sort of domino effect on various sectors, including banking, taxation, and public finance.”

Furthermore, Fatur reports that Slovenia adopted a new FDI mechanism, following suit with the rest of the EU – but not as smoothly as expected. “The new FDI regulations, implemented during the COVID-19 period, have unexpectedly required notifying the authorities even in those cases when the investors were coming from the EU,” he says. “This has since been rectified, and the FDI mechanism now applies to potentially problematic investments from outside the EU – a positive development which not only eases the bureaucratic burden but also makes the business environment a more predictable one, at least for EU companies looking to invest in Slovenia,” Fatur explains.

Turning to issues within the healthcare system, Fatur points out some friction in the field. “Slovenia’s healthcare system is primarily financed through a public healthcare fund, with an additional private health insurance fund introduced about three decades ago to avoid surcharges for certain services – the issue was, however, how to integrate this additional insurance into the public system. This seems straightforward but impacts taxes and other areas significantly,” he explains. “Recently, there were moves to increase health insurance fees, but the government abruptly terminated this, leading to significant financial implications for private insurance companies.”

Finally, Fatur reports that, in October, “Slovenia’s Supreme Court ruled that certain agreements between banks and customers concerning loans in Swiss francs were null and void. The court found that banks failed to adequately inform customers about the risks,” he says. “This is a significant decision and is likely to be challenged in the constitutional court,” he concludes. ■



*Floods have caused significant damage to Slovenia, with the subsequently emerging legal ripples dominating the legal landscape, particularly in environmental law and insurance claims. The damage to infrastructure has raised questions about liability and compensation, which are complex and will require thorough legal scrutiny.*



### Ukraine Soldiers On: A Buzz Interview with Nazar Chernyavsky of Sayenko Kharenko

By Radu Neag (November 22, 2023)

Against the backdrop of relentless conflict and uncertainty, Sayenko Kharenko Partner Nazar Chernyavsky offers a rare glimpse into the current state of his war-torn country and its resilient legal sector, shedding light on the challenges and adaptations of the Ukrainian people, the country's legal industry, and the significant strides made in mental health support and economic resilience.

With the war raging in Ukraine, there is a lot of curiosity about the current situation in the country and what might come next. "It's the question everyone asks but, truthfully, nobody knows for sure," Chernyavsky begins. "We're witnessing heavy fighting reminiscent of World War I, with two large armies engaged in daily combat. The progress is slow, and the mixed messages from outside about ongoing support add to the uncertainty," he says.

As for the Ukrainian people, Chernyavsky reports that "remarkably, most have adapted. We discuss potential changes in government, reforms, and our path to closer integration with the EU. But the uncertainty regarding the end of the war remains," he says. Still, the war has taken its toll on the overall well-being of all.

"Working in Ukraine now involves enormous stress – we've seen many breakdowns. As a firm, we're focusing on creating positive emotions in the office, like small gatherings for a better atmosphere. Also, we're deeply involved in our charity foundation, focusing on mental health rehabilitation for war veterans and their families. Partnering with NGOs, we've established rehabilitation centers and plan to open more," he says.

Focusing more on the legal sector and developments within it, Chernyavsky reports that "activities have resumed, although we're not seeing large transactions yet. There's a surge in small transactions and disputes, including international and national litigation. Tax disputes with the government and advising on tax matters for businesses relocating outside of Ukraine are also significant areas of work," he explains. "Additionally, we're heavily involved in physical relocation of production within Ukraine, dealing with real estate, zoning regulations, and permits."

Interestingly, Chernyavsky says that "one of the most significant new areas is white-collar crime and sanctions-related work. Authorities are investigating and freezing accounts or shares with any Russian connections," he says. "We're helping international businesses, often with complex ownership structures, to navigate these challenges and continue operating in Ukraine," Chernyavsky notes in conclusion. ■



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### North Macedonia Stagnant on Rule of Law: A Buzz Interview with Dragan Lazarov of Law Office Lazarov

By Radu Neag (November 21, 2023)

Recent months in North Macedonia have brought notable proposals and draft laws for legislative changes and have seen thriving energy and financial sectors – but also a concerning lack of progress on the rule of law, impacting businesses and investment – according to Law Office Lazarov Managing Partner Dragan Lazarov.

“The significant developments in North Macedonia in the past three months revolve around two major legislative changes: the new proposal law on financial instruments, implementing the *MiFID II Directive*, and the proposal law on prospectuses,” Lazarov begins. “Consultations between the Financial Markets Association in North Macedonia and stakeholders have indicated a consensus that these changes represent a noteworthy step forward. The new law on financial instruments, set to take effect 18 months after the enactment, involves serious and structural shifts, including the formulation of bylaws and changes to existing rules.” Importantly, he notes, “these adjustments will facilitate engagement with European markets, and demand heightened attention from the legal, trading, and financial side.” Lazarov further says that the new proposal law on business secrecy, which regulates this matter for the first time, also requires significant attention: “lawyers are actively assessing its impact on companies to provide guidance for clients and those seeking to implement such measures.”

As for promising sectors, Lazarov highlights the energy sector, which continues to be significant and dynamic. Additionally, he says “even in this time of crisis, the construction sector is thriving, along with the robust performance of the financial sector, including banks, brokers, and investment funds. These entities appear to be the winners during this period of crisis and inflation.” Still, according to him, “the overarching concern for everyone is the issue of the rule of law, which significantly impacts the business and investment climate, forming the basis for various business connections.”

“International investment arbitration has become a significant focus in North Macedonia, with the government involved in new high-value investment arbitration cases,” Lazarov continues. “These cases, covering real estate, energy, mining, and construction, are typically rare but have increased substantially in a short period. There are claims amounting to EUR 1.5 billion against North Macedonia, a relatively small country. Through costly legal proceedings, efforts are being made to rectify issues that did not unfold as they should have in those projects.”

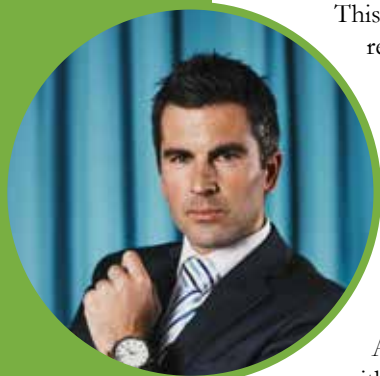
“This surge underscores a major concern – the lack of progress on the rule of law in the country,” Lazarov notes. “The latest *Progress Report* on North Macedonia’s EU accession revealed no improvement in judicial independence and judicial reforms, highlighting a persistent issue.” According to Lazarov, for lawyers this remains a fundamental topic, with “the stagnant situation in recent years actually translating into regression, considering our dynamic world. All stakeholders in the judicial system, including lawyers and judges, must actively contribute to addressing this concern and building a judicial system that befits the country’s aspirations,” he notes. ■



*Even in this time of crisis, the construction sector is thriving, along with the robust performance of the financial sector, including banks, brokers, and investment funds. These entities appear to be the winners during this period of crisis and inflation.*

## It's All About Perspective in Croatia: A Buzz Interview with Branko Bulat of Savoric & Partners

By Radu Neag (November 27, 2023)



This year has seen a relative decrease in investment intensity in Croatia, particularly in the residential sector, amid relatively robust activity in M&A, real estate, and energy and notable court disruptions in the past few months, according to Savoric & Partners Partner Branko Bulat.

“This year has seen a relative decrease in intensity compared to previous ones, with investments not reaching the scale of the past,” Bulat begins. “Despite this, transactions in the M&A, real estate, and energy sectors remain robust. The current climate is somewhat manageable, despite the increased cost of capital and a trend toward more cautious investment practices.”

As for energy, “investors are maintaining their focus on solar and wind power plants, with geothermal energy still generating interest, although not as prominently,” Bulat says.

“The sequence of attention has shifted from wind to geothermal and is currently predominantly centered on solar power. In the realm of real estate, the emphasis is on logistics centers and the expansion of retail capacities.” He emphasizes that while there are ongoing office space developments, they no longer hold the central focus they did a few years ago, during the booming period. “Shifting to the residential sector, there’s a noticeable lack of investment, resulting in a scarcity of residential properties and elevated prices in Croatia,” he adds. “Notably, there’s still a lack of differentiation between old and new buildings; while new constructions are relatively expensive, older buildings, particularly in good locations, maintain their value despite potentially lower quality.”

In terms of big tickets, Bulat draws attention to the year’s largest transaction in Croatia, where acquisition documents were recently signed between Eagle Hills as purchaser and the CPI Property Group as seller for Suncani Hvar, “a renowned hospitality chain of ten hotels and one camp.” In addition, he points to another notable transaction in the hospitality sector: “Hotel Bonavia, a segment of Plava Laguna, was acquired by Jadran Hotels, itself acquired by the Brown Hotel group from Israel last year,” he notes. “Additionally, there’s the acquisition of Spar Trgovina, a small Croatian retailer, by Studenac. Studenac, in turn, had been acquired by renowned Polish equity investment fund Enterprise Investors, signaling ongoing growth in this region.”

“In the past two-three months, the courts in Croatia experienced a strike that lasted for approximately six months in total,” Bulat continues. “For lawyers involved in litigation, this development was significant, as court hearings came to a halt during this period.” Consequently, he says, processes such as company incorporation or statute changes were also temporarily suspended. “Although court hearings are now gradually resuming, there is a considerable backlog that needs to be addressed. This backlog is expected to cause delays before operations, including company-related matters,” he stresses.

Finally, Bulat highlights that in the realm of private equity and venture capital there isn’t a substantial deviation from the past. “The only noticeable shift is a heightened sense of caution, although interest in various fields remains consistent. There is an anticipation of increased activity in the future, attributed to the country’s improved investment rating. Consequently, there is a possibility that Croatia might become more appealing to investors in terms of potential opportunities.” ■



*Transactions in the M&A, real estate, and energy sectors remain robust. The current climate is somewhat manageable, despite the increased cost of capital and a trend toward more cautious investment practices.*

### 2023 Is a Late Bloomer in Hungary: A Buzz Interview with Agnes Bejo of Jalsovszky

By Radu Neag (November 23, 2023)

From the deceptive quiet of early 2023 to a summer bustling with legal reforms and taxing challenges, Jalsovszky Partner Agnes Bejo sheds light on pivotal developments in Hungary ranging from the EU-mandated whistleblowing system to changes in the trust system, environmental responsibilities, and the shifting investment climate in the country.

“For us the year kicked off quite slowly, which was deceptive in hindsight,” Bejo begins. “Then we soon found ourselves swamped with work, especially during the summer.” Noting numerous legal developments, she highlights “the new whistleblowing system, which was implemented as per the EU directive. The initial scope was remarkably broad, leading to a need for revisions before final acceptance,” she says.

Moreover, Bejo reports that recent times have been “hectic for our tax colleagues. A key development was made in our trust system, which was introduced a few years ago, somewhat following the Anglo-Saxon model. It has gotten more and more popular over time, but there have been some uncertainties in the regulation and the use of a certain tax benefit, like the possibility of revaluing assets transferred into the trust fund without incurring taxes.” However, she explains, “the main purpose of our clients has always been wealth structuring for family and inheritance reasons. New provisions would be introduced from September to give more clarity on tax and other related rules, so our summer was consumed with accommodating clients’ needs to adapt to these changes.”

Additionally, Bejo reports that a new fee related to environmental responsibility was introduced: “the Extended Producer Responsibility fee. It’s an environmental initiative covering products like batteries, vehicles, and plastics – it has a complex reporting and fee calculation system, and it significantly impacts businesses across the board,” she explains. “While the spirit of the initiative is commendable, its implementation has been problematic, necessitating authority support for compliance.”

And currently, according to Bejo, the markets have accelerated significantly compared to the start of the year. “Despite various factors, investors remain interested in Hungary,” she says. “At the start of the year, we saw cautiousness in private equity deals and regional players entering Hungary. At the moment, the dynamic is shifting toward more strategic deals, including generational transitions in businesses. Although not all deals are massive, there’s a healthy mix of mid-sized and larger transactions,” she explains. “Foreign investors are often surprised by the rigor of Hungary’s FDI system, yet investment continues.”

Finally, outlining the most vibrant sectors, Bejo says that there has been “a lot of activity in life sciences, particularly in private healthcare and laboratories. However, the second half of 2023 has brought a focus on production, like automotive, plastics, and rubber suppliers. The tech sector, including IT and start-ups, remains vibrant,” she reports. “Despite long-standing pessimism and fears of an impending crisis, the market doesn’t seem to reflect that. We’re busy, and I’m personally optimistic about the future, even with the ongoing challenges,” Bejo concludes. ■



*For us the year kicked off quite slowly, which was deceptive in hindsight. Then we soon found ourselves swamped with work, especially during the summer.*

## The Czech Republic Checks All the Digital Boxes: A Buzz Interview with Tomas Scerba of DLA Piper

By Radu Neag (November 24, 2023)



The Czech Republic appears to be in the middle of rapid advancements in digital transformation and cybersecurity, according to DLA Piper Partner Tomas Scerba, who sheds light on the significant legislative changes propelling the country to the fore of digital innovation.

“The Czech Republic has made significant progress in digitization in recent months,” Scerba begins. “New laws have been introduced, enhancing the development of digital infrastructure. The transition from paper documents to digital versions is remarkable, including the implementation of digital ID cards from January 1, 2024,” he reports. This digital shift also extends to employment contracts, streamlining recruitment and termination processes.

“Cybersecurity is a key aspect,” Scerba continues. “The Czech Republic was the first in Europe to enact comprehensive cybersecurity legislation – we contributed to designing the EU’s NIS1 directive, and now we’re moving towards the NIS2. The new cybersecurity bill, which is in the intergovernmental process, is expected to be enacted by the end of October 2024,” he reports. According to him, this will significantly elevate cybersecurity standards across the country. “The cybersecurity changes are profound,” he goes on to say. “The upcoming legislation will impose higher fines, similar to GDPR breaches, affecting a wide range of companies. This has created numerous opportunities for legal experts in technology – our lawyers, for instance, have been advising the national agency and are well versed in this area.”

Moreover, Scerba says that AI is another hot topic. “Currently, we don’t have specific AI laws, so we’re relying on the civil code and copyright laws. The debate mainly revolves around authorship, with three views: it could be the AI user, the AI software developer, or a joint authorship between both. We don’t have a landmark code for guidance, so it’s an area of ongoing discussion and exploration,” he elucidates.

Focusing on other areas of note, Scerba shares that “ESG reporting is becoming a crucial part of compliance. The EU directive, soon to be transposed into national law, will come into force in two months.” He says that this is a “significant change, especially for larger and financial companies, as it imposes more stringent compliance requirements.”

Additionally, he reports that “the energy sector and companies focusing on ESG compliance are doing well. Household names like LEGO and IKEA are navigating supply and labor shortages successfully and there’s also a noticeable uptick in the gaming industry and a recovery in the restaurant sector.” Finally, Scerba notes that there is even some “cautious optimism about the M&A sector – we expect a rise in activities soon,” he concludes. ■



*The cybersecurity changes are profound. The upcoming legislation will impose higher fines, similar to GDPR breaches, affecting a wide range of companies. This has created numerous opportunities for legal experts in technology – our lawyers, for instance, have been advising the national agency and are well versed in this area.*

## Moldova Revamps Courts, Public Services, and Companies: A Buzz Interview with Oleg Efrim of Efrim Rosca Asociatii

By Andrija Djonovic (November 28, 2023)



Moldova's legal and economic landscape is undergoing momentous transformations according to Efrim Rosca Asociatii Partner Oleg Efrim, from updates to the corporate sector and an ongoing digital transformation, to Moldova's path towards EU integration and the challenges and opportunities facing various business sectors

amid geopolitical tensions.

"The new amendments to the corporate laws are a pivotal step for Moldova, drawing inspiration from models in the EU (including the European Model Company Act) and Switzerland," Efrim begins. "It streamlines various corporate matters, including the regulation of new institutions and liberalization and flexibility for shareholders' decision-making and shareholder agreements. This act is more than a legal update – it's a strategic alignment with Western standards, simplifying company operations and fostering a more business-friendly environment," he explains.

To that same tune, Moldova is marching forward on its path toward the European Union, Efrim notes. "The commencement of accession talks is a monumental event for Moldova," he says, indicating the European Commission recommendation of November 8, 2023. "It necessitates a thorough revision of our legislative frameworks to align with EU standards. This harmonization process will touch upon various sectors, ensuring that our laws not only comply with but also embrace European principles and practices," he highlights.

As part of this transformation towards a more integrated tomorrow, Moldova is already tackling the public services sector. "The digital transformation is revolutionizing the way we interact with public services," Efrim continues. "For the justice system, it means implementing pilot programs that enable lawyers to participate in sessions, such as hearings, completely remotely." This digital shift extends to company registrations, obtaining permits, and interactions with public authorities.

"It's a significant step towards modernizing our judiciary and making justice more accessible."

*The commencement of accession talks is a monumental event for Moldova. It necessitates a thorough revision of our legislative frameworks to align with EU standards. This harmonization process will touch upon various sectors, ensuring that our laws not only comply with but also embrace European principles and practices.*

Furthermore, Efrim reports that the Supreme Court of Justice of Moldova has undergone a thorough reform. "The Supreme Court's restructuring is a major step forward," he says. "It's designed to streamline caseload management and the admissibility of appeals, thereby rationalizing workflow and optimizing court operations. This reform aims to enhance the efficiency and effectiveness of our highest court. Thus, the Supreme Court of Justice will have more limited powers and will not act as an appeals court, as it currently does." Additionally, the hitherto existing state fee cap for filing cases into court will be removed on January 1, 2024, in a move that Efrim describes as bold. "This may potentially improve the quality of our judicial system. This change is expected to increase public awareness and usage of legal channels, fostering a more robust legal environment."

Turning to the state of Moldova's business sectors, Efrim begins by mentioning that "the IT sector is paving the path forward. With local IT-specific zones that benefit from an advantageous flat 7% tax system, investors from all over the world are increasingly becoming aware of the benefits of doing business here." Moreover, Efrim states that the IT sector has, "alongside banking, demonstrated noticeable resilience during the pandemic and is outperforming other industries."

Finally, Efrim mentions the ramifications of the war in Ukraine. "The war has indeed put a strain on our infrastructure and transportation, with ripple effects spreading onto sectors like agriculture. Many industries are now heavily reliant on the quality of their management systems to navigate these logistical challenges," he says. "The future trajectory of these sectors, amid these hardships, remains uncertain but is a critical area of focus for us." ■

# CEELM(IS)10

A decade ago, we embarked on a journey to create a platform that would not only keep the legal community informed but also foster collaboration, knowledge sharing, and innovation. Today, as we celebrate this significant milestone, we reflect on the incredible achievements and the invaluable contributions of all those who have been a part of our journey.

Over the past 10 years, CEE Legal Matters has tried to constantly evolve, providing cutting-edge insights, analysis, and commentary on the ever-changing landscape of the legal world in CEE. We have had the privilege of featuring the works of distinguished practitioners and thought leaders who have shaped the discourse and advanced the field. The depth and breadth of our content have grown, covering a wide range of topics and issues, from landmark deals to emerging trends in the legal profession.

As we look back on the years gone by, we are immensely grateful for the unwavering support of our readers, contributors, advertisers, and partners. Your trust and engagement have been the driving force behind our success. We are committed to maintaining the highest standards of journalistic integrity and providing you with the insightful and reliable content that you have come to expect from CEE Legal Matters.

To mark this special occasion, we have planned a series of interviews – retrospectives that will take you on a journey through the highlights of the past decade. We invite you to join us in celebrating not only the achievements of CEELM but also the collective achievements of the legal community that we proudly cover.

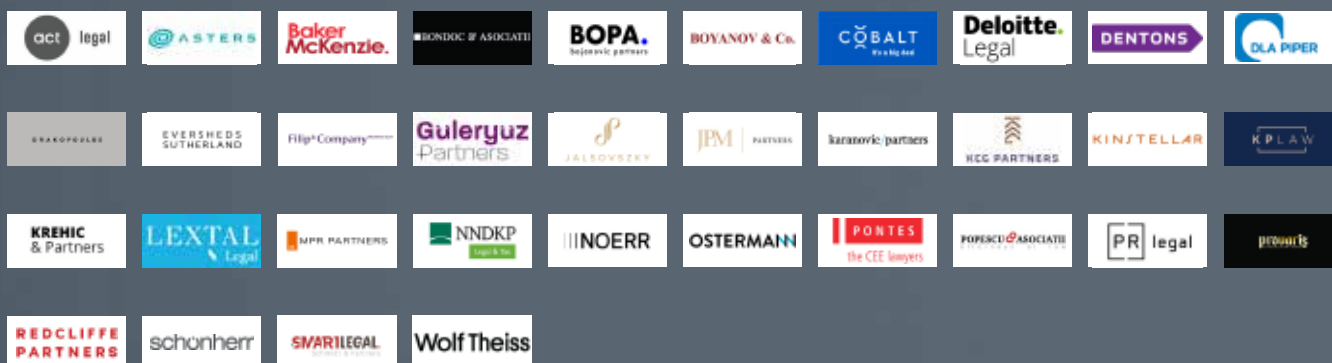
As we raise a toast to the last 10 years, we also look ahead with excitement and anticipation for the next chapters. Our commitment to serving the legal community remains steadfast, and we are eager to continue growing, evolving, and providing you with the highest quality legal content for many more years to come.

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- Romania – Albota Law Firm

### TMT:

- Romania – Tuca Zbarcea & Asociatii
- Ukraine – Baker McKenzie





## CEELM ROUNDTABLE: A DECADE OF M&A IN CEE

By Teona Gelashvili

On November 21, 2023, corporate/M&A and private equity experts from Bulgaria, Greece, Hungary, Kosovo, Moldova, Romania, Serbia, Slovakia, Turkiye, and Ukraine sat down for a virtual round table moderated by CEE Legal Matters Managing Editor Radu Cotarcea to discuss the key developments in the field over the past decade.

### Roundtable Participants:

■ Kujtim Kerveshi, Managing Partner, Kerveshi & Partners

■ Lukas Michalik, Partner, Ments

■ Mykola Stetsenko, Managing Partner, Avellum

■ Onur Kucuk, Managing Partner, KP Law

■ Panagiotis Drakopoulos, Managing Partner, Drakopoulos

■ Pavel Hristov, Partner, Hristov & Partners

■ Razvan Stoicescu, Deputy Managing Partner, Musat & Asociatii

■ Roman Ivanov, Partner, Vernon David

■ Slobodan Doklestic, Managing Partner, Doklestic Repic & Gajin

■ Zoltan Forgo, Managing Partner, Forgo, Damjanovic & Partners

### Riding the Waves and Riding Out the Storms in CEE

Looking back over the last ten years, change has been the one constant across CEE. With economic downturns, recovery periods, and unforeseen disruptions like the COVID-19 pandemic, the M&A landscape has seen constant shifts.

#### Resilient Growth Despite Economic Challenges

“There’s been a marked change,” Hristov & Partners Partner Pavel Hristov says. “I’m unsure if we can label it as a sea-level change, but a considerable shift has occurred in dealmaking over the past decade in Bulgaria. Diverse investors have entered the scene, including strategic industry champions, and VC and private equity funds.”

In terms of deal values and volumes, Hristov and Drakopoulos Managing Partner Panagiotis Drakopoulos report a rather positive outlook. “In the past decade, we’ve witnessed fluctuations in M&A activity, from the lows of economic crises to the highs of recovery and subsequent challenges like COVID-19,” Drakopoulos explains. “Despite external factors, Greece’s market remains robust, fueled primarily by foreign investors. Notably, there’s a consistent upward trajectory in both the number and value of deals, with a couple surpassing

the EUR 1 billion mark.”

“Bulgaria is not different,” Hristov says, adding that M&A activity has been varying with economic cycles. “During downturns, such as the current one, we observe an uptick of small and midsized transactions, but the overall volume remains largely constant.” Notably, “the present deal values are significantly higher than those a decade ago, and sellers expect much higher valuations. In terms of value, we’ve witnessed a few transactions surpassing EUR 1 billion in valuations, particularly in telecom and banking. For instance, the acquisition of Raiffeisen Bank by KBC Bank in Bulgaria exceeded EUR 1 billion and was part of a consolidation trend in the banking sector,” Hristov says.

#### Deal Sizes Shrinking, but Transaction Volume Remaining Resilient

For some CEE countries, there has been a rising trend in transaction volumes in the past decade, accompanied by a relative decline in their individual values. “In Hungary, in terms of volume, there has been a slight increase over the past decade, although not consistently gradual – more characterized by ups and downs,” Forgo, Damjanovic & Partners Managing Partner Zoltan Forgo says. “Notable upward trends occurred during 2013-2016, marked by classic deals where



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**Onur Kucuk,**  
Managing Partner,  
KP Law



**Panagiotis Drakopoulos,**  
Managing Partner,  
Drakopoulos

mature Hungarian owners were selling businesses to strategic foreign investors. However, the COVID-19 era brought significant challenges, with many transactions either abandoned or completely renegotiated due to the pandemic's impact. The current transactional environment is not particularly healthy, influenced by factors such as high inflation and high interest rates."

Similarly, in Slovakia, M&A activity has seen a gradual increase in transaction numbers, as described by Ments Partner Lukas Michalik: "The volume, however, had a notable peak during 2013-2014, marked by a government change. There was a notable phase of asset unloading by the state, representing what we term the 'next-generation wave of privatizations.' While the number of transactions has continued to rise, the trend now leans towards deals with lower values." This shift, according to him, "is particularly interesting, as big-ticket deals are mostly driven by traditional industries, but there are some bigger deals pioneering in newer sectors like the environment and technology."

KP Law Managing Partner Onur Kucuk draws attention to a similar trend in Türkiye. "The deal sizes are getting smaller and smaller but deal counts are still there," he says. "We're no longer witnessing billion-dollar deals. For instance, the most recent notable one was a EUR 300 million energy project. In the past, government sales and investments dominated, but this has changed. Private equity and venture capital are facing challenges in financing, largely attributed to inflation."

"Similar to Türkiye, in Serbia, we're observing a challenge for private equity in securing favorable financing," Dokleštic Repić & Gajin Managing Partner Slobodan Dokleštic adds. "Over the past decade, we went through a turbulent period marked by an initial economic crisis, leading to numerous deals focused on restructuring and distressed assets. Later, there was an upswing in both the value and volume of M&A deals. The onset of the COVID-19 pandemic impacted various sectors, although our ongoing deals proceeded relatively smoothly. Presently, amidst global developments, we're facing a challenging period. Fortunately, Serbia is experiencing an influx of foreign investors from diverse regions. While mega-deals (meaning EUR 500 million and above) are rare in Serbia, mid-sized deals in the range of EUR 10-15 million are quite common, particularly in sectors like energy, infrastructure, and banking. The transactional landscape is predominantly shaped by mid-sized deals, with the tech sector, in particular, witnessing ongoing M&A activities."

Avellum Managing Partner Mykola Stetsenko mentions that there have been many decisive factors over the course of ten years that impacted M&A developments: “In Ukraine, the Revolution of Dignity was followed by six to seven years of impactful reforms. During the pandemic, we experienced lows, but 2021 proved highly successful, a rebound from the pandemic-induced disruptions. However, the size of deals has diminished compared to the early 2010s, though there’s been a notable increase in the number of deals, particularly in IT sectors across the region.” Despite historical deals surpassing EUR 1 billion, he says, “there’s still a struggle with private equity in Ukraine, as they are available, but not in abundance. The ongoing war has significantly impacted businesses, resulting in fewer deals and a substantial drop in volume. Nevertheless, companies, especially Ukrainian clients facing capital control measures, persist in efforts to expand their market share, necessitating reinvestment.”

As for Romania, Musat & Asociatii Deputy Managing Partner Razvan Stoicescu highlights an overall optimistic trend. “The market has exhibited growth, reaching EUR 6 billion in M&A in 2022, a significant increase from EUR 3-4 billion in 2017, despite facing structural challenges,” he reports. “With around ten major deals annually, the overall M&A landscape has performed surprisingly well given the circumstances. The positive trend, marked by year-to-year increases, was particularly notable in 2021, although 2020 experienced a slower pace. While the decrease in deal values poses challenges, there’s an enduring appetite among investors. This resilience might position Romania favorably in 2024.”

### Fluctuations in Smaller Economies

In Kosovo and Moldova, as outlined by Kerveshi & Partners Managing Partner Kujtim Kerveshi and Vernon David Partner Roman Ivanov respectively, there are somewhat similar challenges due to their market size and absence of EU membership. “Moldova, being smaller and not a member of the EU, experiences a distinct M&A landscape,” Ivanov notes. “The EU investors are coming to Moldova and that accounts for a large number of our transactions. The majority of transactions are concentrated in the basic sectors.” Additionally, he says, “following the famous fraud cases in 2018, Moldova’s banking sector became refreshed. This renewal attracted numerous international investors to Moldova. This renewal attracted numerous international investors to Moldova. Institutions like Banca Transilvania, Eximbank Bank of Intessa SanPaolo, OTP Bank, and the EBRD played pivotal roles in this transformation. Overall, we don’t have transactions

exceeding EUR 100 million.”

“Kosovo, to a certain extent, presents a distinct scenario owing to its size and fluctuations in political stability and security, similar to Moldova,” Kerveshi adds. “The transaction landscape primarily involves small and medium-sized deals. In the previous year, our involvement included a situation with an American seller opting to withdraw from a robust business due to the prevailing instability.” Kerveshi says that while some sectors such as energy and TMT continue to attract investor attention, “still, the transaction value figures show a decline, and it is a trend more noticeable than in smaller countries.”

### What’s Peaking Interest?

#### More Baskets – Diversified Markets

In terms of the most attractive targets in each jurisdiction, Drakopoulos and Doklestic point to the overall trend of diversification in Greece and Serbia, respectively. “In Greece, the strongest sectors have traditionally been hospitality and real estate, with a significant presence of energy projects,” Drakopoulos stresses. “Additionally, sectors like manufacturing, especially light manufacturing, and consulting services are active. There’s a noticeable emergence of new technology targets and heightened fintech activity. Overall, there’s activity across various sectors, introducing new dynamics to the Greek market.”

“Serbia exhibits a unique profile,” Doklestic continues. “The economy is notably diversified, featuring a wide range of activities across various industries. Agriculture stands out as a traditional sector, while banking has seen some activity, often involving our legal services on different sides of the same deals. Automotive, FMCG, infrastructure, and real estate are also highly active in Serbia, especially in Belgrade where prices are on the rise. Our focus isn’t limited to one or two sectors but encompasses a broader range. This diversity has been beneficial, helping us remain active despite market fluctuations.”

#### Anything “Tech”

While certain sectors and industries have traditionally held strength in each jurisdiction, there are also emerging ones, with one standing out in particular. “Over the last decade, privatization of industries, including infrastructure, energy, and the banking sector, was big, however, that trend has shift-



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Partner,  
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**Razvan Stoicescu,**  
Deputy Managing Partner,  
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Vernon David



**Slobodan Dokleštic,**  
Managing Partner,  
Dokleštic Repic & Gajin



**Zoltan Forgo,**  
Managing Partner,  
Forgo, Damjanovic & Partners

ed,” Michalik says. “Nowadays, wherever traditional industry meets technology, is very popular. For instance, in Slovakia, there’s a significant emphasis on automotive production, incorporating streamlined processes. Smaller deal activities are associated with this shift, reflecting an overarching trend toward technology, FinTech, MedTech, and anything with a ‘tech’ component, which is currently a substantial focus.”

“In Romania, technology is the *prima donna*, representing a third of the deals in 2022,” Stoicescu also says. “This can be attributed to how investors view the IT sector, benefitting from a highly qualified and financially accessible workforce. Many investors opt to outsource to the US, given the relatively cost-effective local market, presenting the advantage of buying low and selling high in other countries. However, upcoming tax changes may dilute this advantage.”

“In Bulgaria, TMT has evolved more towards the technology sector, with a notable emphasis on tech over traditional telecom,” Hristov adds. “Standout subsectors like fintech are noteworthy, exemplified by Advent International’s acquisition of myPOS with a EUR 500 million valuation, marking a significant milestone and illustrating the growth potential of new subsectors.”

“For Turkiye, there’s a parallel with the other CEE countries, where anything tech-related finds a ready market, and the possibility of witnessing USD 1 billion deals is not out of the question,” Kucuk adds, with Ivanov highlighting that in Moldova, “tech is another compelling sector, particularly in the realm of IT companies benefitting from a preferential tax regime. Moldova has become a hub for European companies establishing back offices, often with regional operations.”

### Turning Up the Heat on Energy

“Following technology, there’s a focus on energy in Romania, driven by the need for diversified energy sources amid the war in Ukraine,” Stoicescu continues. “Renewables, particularly in Bulgaria, are captivating due to a diversified range of energy sources from solar to hydropower to wind generation, attracting substantial investment,” Hristov adds. According to Ivanov, renewables are also gaining traction in Moldova: “With the government implementing urgent measures, large tender projects are anticipated, generating considerable involvement and opportunities. The sector is expected to flourish in the upcoming years.” Forgo specifies that in renewables, there’s a notable emphasis on solar portfolios in Hungary, “driven by

ESG considerations, while geothermal energy investments are also present.”

Kucuk and Kerveshi note that in Turkiye and Kosovo, political turmoil might impact energy-related investments. “Currently, in Turkiye, things are moving at a slower pace,” Kucuk says. “While energy remains an attractive sector, the ongoing transition period may influence the direction of trends in the coming years.” Kerveshi on the other hand, adds that, in 2022-2023, “subsequent to political crises, with four or five different governments in the last four years and diminished interest from non-traditional investors, the focus shifted mainly to renewable energy and technology integration from classic industries.”

### A Solid Foundation, for Some, in Real Estate

Forgo, Stoicescu, and Kerveshi highlight that traditional sectors such as construction and real estate remain one of the most resilient. “Hungary’s real estate sector appeals to investors due to relatively low property prices compared to Western European countries and some CEE countries, such as the Czech Republic or Slovakia,” Forgo points out. “Austrian investors, especially, have developed and sold office buildings to institutional investors, including real estate funds.” Stoicescu adds that “construction and real estate are also prominent in Romania, though the sustainability of this trend remains uncertain.”

“Construction has been on a constant rise in Kosovo, particularly with investors from Switzerland and Germany, although the ultimate use of these buildings remains uncertain,” Kerveshi adds. “Israeli investors were notably interested before the Gaza-Israel conflict, especially in the energy sector, but there has been a recent step back from them.”

### Banking On/In Smaller Markets

Ivanov and Kerveshi report that over the last ten years, there has been robust M&A activity, particularly in the banking and finance sectors in Moldova and Kosovo. “Since 2018, the banking sector has experienced significant growth in Moldova, marked by several banks changing shareholders,” Ivanov says, with Kerveshi adding that “returning to 2017, there was a significant boom, with numerous clients, including major banking, leasing, and insurance groups, exploring investments and acquisitions in the banking sector.”

### Other Growth Trajectories

Other major industries with significant growth, according to Forgo and Stetsenko, have been food supplements and sports nutrition sectors, and defense, in Hungary and Ukraine, respectively. “The food supplements and sports nutrition sector saw a significant deal involving the Scitec Group, demonstrating that companies in growth sectors with distribution footprint in Western Europe as well might be able to achieve extra valuations,” Forgo notes, adding that “the private health sector also remains particularly interesting.”

“Traditionally, heavy machinery, agriculture, and metals have been significant sectors in Ukraine, and we continue to see activity in these areas,” Stetsenko points out. “However, renewables and technology have emerged as major industries, along with an increase in deals in the defense sector, which is quite interesting. Additionally, traditional sectors like banking and general FMCG continue to play a prominent role.”

### Who’s Buying?

While all participants point out that the major buyers are a mix of strategic investors and private equity funds, there is a noticeable pattern in CEE of strategic investors leading the charge. “The M&A market in Slovakia is like a private club, requiring a local presence to identify targets and buyers,” Michalik notes, adding that “strategic investors, with their better resources and more risk averse approach, often secure larger deals. Notably, there’s a trend favoring continuity of management and founders, in which cases venture capital holds advantages over strategic investors.”

“In Serbia, over the past decade, private equity held a slightly more dominant position than strategic investors,” Doklestic reports. “However, in more recent times, there has been a shift, with strategic investors now having a slightly stronger presence.”

In Bulgaria and Greece, the most active buyers in the market vary depending on sectors. “In Bulgaria, certain industries lean towards private equity, while others attract strategic investors,” Hristov notes. “Regulated industries like telecoms and energy, for instance, predominantly interest strategic investors, whereas technology is increasingly attractive to VC and PE funds.” According to Drakopoulos, “in Greece, strategic investors may dominate the larger transactions, while a significant number of private equity funds engage in smaller deals. However, it’s worth noting that there have been some

substantial private equity deals as well.”

Stetsenko and Kucuk draw attention to somewhat distinct patterns from the rest of the CEE in Ukraine and Turkiye. “I believe Ukraine had a well-balanced mix of drivers in its market dynamics,” Stetsenko says, highlighting that “while foreign investors were present, local investors were more active, and there was notable participation from private equity, contributing to a balanced landscape.”

“In Turkiye, the pattern is unsurprising: we lack sufficient financial investors, with a predominant presence of strategic investors,” Kucuk notes. “Notably, we’re witnessing a record number of initial public offerings, with hundreds of companies awaiting approval. Only during the last two months of 2023, around 50 of them are expected to go public. This trend helps balance the absence of strategic investors.”

### **Black Swans and Other Surprises from the Last Decade**

As for the major game-changers of the last decade, Kerveshi and Dokleštic point to the COVID-19 pandemic. “The most significant factors were the challenges of the COVID-19 pandemic and subsequent government legal reforms in Kosovo,” Kerveshi notes. “The most substantial influence on the market have been the repercussions of the COVID-19 pandemic, and we continue to face its consequences,” Dokleštic also points out.

Stetsenko, Ivanov, and Kucuk draw attention to political developments as a major paradigm shift. “The reforms implemented by the previous government post-revolution in 2014 were the primary driving force over the last six to seven years,” Stetsenko notes. “Moldova’s aspiration to become an EU member is influencing government efforts, and the M&A landscape is being impacted, placing Moldova on the investment map,” Ivanov adds. Kucuk, on the other hand, points to the 2016 coup attempt in Turkiye as a pivotal event: “This had a profound impact on legislation, government, and the M&A landscape. It instilled hesitation among investors, the government, and the public when considering investments, which started to fade away in the last few years.”

As for Hungary, “a notable shift has occurred in the Hungarian Government’s stance towards the EU, and there have been many unorthodox economic measures and pieces of legislation,” Forgo says. “Previously attracting mainly international strategic investors, there’s now a trend toward Hungarian state involvement or investors close to the government on the buy-side of the transactions. This shift in policies and the somewhat unpredictable legislation has made Hungary seem more exotic to Western investors, with foreign strategic investors often found on the sell side.”

Finally, Michalik says in Slovakia, “a continuous and ongoing factor is the maturing of the market, aligning with international standards and EU regulations. Companies are increasingly focused on compliance, becoming more standardized and attractive targets for foreign buyers, reflecting a substantial upgrade.” ■



# A DECADE OF M&A IN BULGARIA

By Teona Gelashvili

**Hristov & Partners Partner Dragomir Stefanov** talks about the evolution of the practice and their role as legal advisors in Bulgaria over the last 10 years.

**CEELM:** Over the last 10 years, what types of projects have kept your M&A team the busiest?

**Stefanov:** This year we celebrate our law firm's tenth anniversary. Throughout this time, we have been engaged in all types of transactions, including acquisitions, private equity investments, greenfield projects, restructurings, and, also unfortunately, exits through liquidations. While our focus has predominantly been on the buy side, in the last five years, our experience with foreign clients seeking market expansion in Bulgaria made our practice attractive for local entrepreneurs in high-growth businesses who seek exits or investments, and, consequently, we have been increasingly involved on the sell side.

**CEELM:** During this time, what have been your and your team's most intense periods, and what do you believe drove them?

**Stefanov:** Over the years, we have steadily established a reputation as an elite corporate M&A firm, recognized among the leading law firms in the field. As M&A activities are aligned with the overall economic landscape, we stayed very active during periods of strong appetite for deals such as 2015-2016 and 2021-2022. A significant contributor to our success has been the continuous expansion of our referral network of international law firms. Nevertheless, it is important to acknowledge that these relationships with some of the leading firms in the legal field are not guaranteed, especially in a competitive local legal market. They are nurtured and expanded only with a track record of work consistent with the high standards of customer service that these firms maintain.

**CEELM:** How have the client profiles evolved over the last decade?

**Stefanov:** Our portfolio remains diverse, comprising multinationals – both large and mid-sized – and we've seen consistent engagements with private equity firms throughout the years. While we have worked a lot for clients in the technology and automotive sectors, the local market's nature demands a broad focus and we are active in various industries. We deliberately avoid advising government and state-owned companies to prevent conflicts of interest. Furthermore, we generally steer clear of specific sectors, such as tobacco and gambling, as part of a strategic and cautious choice.

**CEELM:** What new expectations do you see from clients, and what do you feel has dropped in importance?

**Stefanov:** Our clients are sophisticated and demanding, often at the forefront of their industries. They are very intelligent and possess a high level of legal knowledge themselves – gained either through experi-

ence in multiple jurisdictions or hands-on involvement in their business. These types of clients expect their legal advisers to be alongside them in the field, and can easily notice if one hides behind lengthy or generic legal responses. The ability to keep our advice clear and simple while remaining realistic about the actual risks of our clients' decisions and the practical solutions is, to a large extent, what they anticipate. Consequently, in comparison to 10 years ago, we have become quicker and more laser-focused on critical aspects – an attribute our clients have always prioritized. This is an ongoing effort that we aim to enhance with each new mandate.

**CEELM:** What have been the main regulatory challenges you have faced in making deals happen?

**Stefanov:** The regulatory landscape is constantly evolving with new regulations emerging under the pressure of political considerations, technological advancements, etc., which brings many challenges. On top of that, well-established regulatory aspects of deal-making are also constantly evolving. Take competition law, for instance. Just two years ago, many practitioners believed that the competition authority would only be interested in a merger when the mandatory turnover thresholds for notification were not met. However, in the last few years, we've witnessed within the EU reviews on competition grounds even for transactions below the statutory thresholds. It's crucial for us to stay up to date with regulatory trends.

As for the legislation, a very specific example comes to mind: one of the largest projects in Bulgaria – the concession of the Sofia airport. Despite a well-written concession law, it still had some ambiguous elements on crucial aspects that influenced the decisions of certain bidders, including a client of ours who ultimately chose not to bid due to these uncertainties.

**CEELM:** What is on the horizon? What do you believe will be the highlights in a similar interview 10 years from now?

**Stefanov:** From a personal standpoint, my hope is that a decade from now, I can share with you that the firm has expanded and significantly improved since 2023, ultimately contributing to substantial growth for our clients. From a more general perspective, I believe that what I said about clients' profiles and needs will remain just as valid. The core of the legal profession will still be the trust and advisory functions and it would be a matter of how we deliver our product in a better way rather than completely altering its nature. It is evident that the fourth industrial revolution is here to stay, and we expect that these changes will only serve to make us more efficient and bring us closer to our clients. ■



# A DECADE OF M&A IN THE CZECH REPUBLIC

By Teona Gelashvili

**PRK Partners Co-Head of Corporate and M&A Milan Sivy** talks about the evolution of the practice and their role as legal advisors in the Czech Republic over the last 10 years.

**CEELM:** As we reflect on the past 10 years, what types of projects have kept your M&A team busy during this time?

**Sivy:** Firstly, when speaking about M&A transactions, while mergers remain relevant, our team was mostly focused on acquisition processes as they've been prevalent in the market. As for the sectoral focus, from our perspective a decade ago, the energy sector dominated the M&A scene, with robust activities in the field. However, our engagements over time evolved toward diverse industries such as finance, real estate, media, manufacturing, agriculture, and venture capital. In recent months, we've seen a resurgence of interest in the energy sector, with two significant transactions involving underground gas storage facilities and the sale of the gas transmission system operator to CEPS – a company owned by the Czech state. Among other reasons, this was due to both regional and geopolitical dynamics and shifts in the broader financial market (including the relevant interest rates).

**CEELM:** Looking back at the last 10 years, what have been your and your team's most intense periods, and what do you believe led to them?

**Sivy:** Throughout these years, the deal flow generally maintained a steady level – with the exception of a few extraordinary periods that brought unique challenges. Especially, the COVID-19 era disrupted the regular deal flow. Many deals were temporarily halted as uncertainty gripped the market.

From our viewpoint, certain periods stood out – notably around 2021-2022. These years were marked by increased activity post the second wave of the COVID-19 pandemic. The aftermath of the crisis witnessed a surge in deal-making as investors sought opportunities in the market and benefited from accumulated capital.

**CEELM:** How have client profiles evolved over the last decade, and what shifts have you observed in their needs and expectations?

**Sivy:** We've seen a stable blend of international and local clients. In our experience, larger transactions in the Czech Republic and the broader CEE region are often carried out by big international players, including funds and strategic investors. Meanwhile, local players tend to focus on a larger number of smaller and mid-sized transactions.

The complexity of deals has seen a significant uptick, accompanied by heightened expectations from

clients. We are now expected to navigate complex negotiations, bidding procedures, and increasingly common cross-border aspects. It's worth noting that Czech companies are often progressively expanding their horizons and investing abroad. Therefore, there is a need for legal advisors to adapt to the changing dynamics of client needs, both when representing Czech clients as well as when assisting the prospective purchaser with the due diligence review of the Czech target which often has activities abroad.

**CEELM:** From a legislative and regulatory standpoint, what were the main recurring challenges faced in making deals happen over the last decade?

**Sivy:** From a legal perspective, the past decade has seen relative stability. A big development was the adoption of a new civil code in 2014. While it introduced many changes to Czech civil law and challenges in transactional documentation, it didn't disrupt the fundamental stability of the legal landscape.

Moreover, regulatory reviews, including merger clearances, foreign direct investment approvals, and a new set of rules addressing distortions caused by foreign subsidies, have become integral components of the transactional process.

Last but not least, ESG aspects are becoming increasingly important in the case of most M&A transactions.

**CEELM:** Looking to the future, what do you anticipate will be the highlights in a similar interview 10 years from now?

**Sivy:** In the future, several themes might be looked back at as highlights. AI is expected to play a pivotal role in M&A transactions, extending beyond due diligence to various facets of the process. The implementation of AI in the transactional period could revolutionize how deals are structured and executed.

Another noteworthy aspect is the introduction of a new tax package in the Czech Republic, altering the taxation landscape for shares and ownership interests in the Czech companies held by individuals. The potential impacts of this tax regime are currently under evaluation, and while there is uncertainty, we remain cautiously optimistic about the Czech market's resilience in adapting to these changes.

Geopolitical situations, such as the ongoing conflict in Ukraine, are factors that one cannot ignore. While there is a strong hope for de-escalation, geopolitical developments will undoubtedly shape the landscape of M&A in the years to come. ■



# A DECADE OF M&A IN GREECE

By Teona Gelashvili

**Drakopoulos** Managing Partner **Panagiotis Drakopoulos** talks about the evolution of the practice and their role as legal advisors in Greece over the last 10 years.

**CEELM:** Over the last decade, what types of projects have been the center focus of your M&A team? How has that evolved over time?

**Drakopoulos:** During this period, the primary focus of our M&A team has been dictated by market demands, with a heavy dependence on FDI. The majority of our transactions have involved foreign investors, contributing to a client mix that is significantly weighted toward international stakeholders. We follow the general market in terms of both highs and lows, but this trend remained consistent both before and after the onset of the COVID-19 pandemic. Our team has primarily been engaged on the buy side, aligning with our concentration on serving foreign clients.

**CEELM:** Looking back at the last 10 years, what were the specific periods that posed the greatest challenges or intensity for your team?

**Drakopoulos:** Our most intense periods include the aftermath of the global financial crisis and following the COVID-19 pandemic. The second wave of heightened activity is currently ongoing, and it presents challenges for us in optimizing work efficiency while managing multiple projects simultaneously.

**CEELM:** How have the client profiles evolved over the last decade – were there any notable shifts and changes observed in the profiles of your clients?

**Drakopoulos:** The last decade has seen a diversification in the origin of clients, with notable participation from both Europe and the US, while Asian involvement has been relatively low. Local players have become active on the buy side, particularly in sectors undergoing consolidation. Greece stands out as an outlier due to its recent investment grade upgrade, political stability, investor-friendly policies, and its strategic position as the only mature economy in the region. The country's appeal as a gateway for European investments, Schengen membership, and proactive measures such as tax breaks and streamlined permitting processes have attracted significant strategic investments. Significant developments include companies like AWS, Google, and Microsoft establishing data centers in Greece, attracting numerous other strategic investors.

In terms of investment type, strategic investors have become more prominent in recent years, reflecting a positive shift in Greece's perception as an investor-friendly and predictable destination.

**CEELM:** What about clients' demands and expectations? Have they changed over time?

**Drakopoulos:** Client needs have evolved with a growing emphasis on practical advice, as deals are executed faster than before. Clients are now more sophisticated and seek added value in understanding the nuances of the Greek market. While the technical aspects are considered standard, differentiation is achieved through personalized guidance and business advice. Pricing dynamics have remained relatively stable over the years.

**CEELM:** What were the highlights from a legislative and regulatory standpoint, and how has Greece addressed legislative challenges to facilitate deals?

**Drakopoulos:** In terms of legislation, Greece has tackled the hurdles in facilitating deals through various strategic measures. These include the implementation of a golden visa program, expedited approval processes for projects deemed nationally significant, and the introduction of enticing incentives for digital nomads and the return of Greek entrepreneurs. Moreover, the reduction in corporate tax and dividends tax rates has significantly enhanced the overall landscape, fostering a more conducive environment for deal-making.

**CEELM:** What is on the horizon? What do you believe will be the highlights in a similar interview 10 years from now?

**Drakopoulos:** Anyone who attempts to foresee developments in the next decade may find it challenging to do so with certainty. However, there's a likelihood that managing M&A activities could see a significant shift. Large due diligence processes and teams compiling reports may become more streamlined, possibly leveraging technology and AI for simplification.

The role of a lawyer might transition toward negotiating term sheets rather than focusing on the intricacies of the actual transaction. I believe mundane and repetitive tasks will potentially be eliminated from lawyers' responsibilities. In terms of work, at least for Greece, the outlook remains optimistic. The future promises to be busy and dynamic; however, making predictions remains a difficult task. ■



# A DECADE OF M&A IN HUNGARY

By Andrija Djonovic

**Forgo, Damjanovic & Partners** Managing Partner **Zoltan Forgo** talks about the evolution of the practice and their role as legal advisors in Hungary over the last 10 years.

**CEELM:** Over the last 10 years, what types of projects have been keeping your M&A team busy?

**Forgo:** In the past decade, our team has been primarily engaged in three types of deals. The first type, which I'd call "classic" deals, typically involved mature Hungarian companies being sold – usually to Western foreign strategic investors – in relatively plain structures (mostly 100% buyouts). These deals were more frequent in the earlier part of the decade but have seen a decline recently. Interestingly, we're now seeing a role reversal with strategic international investors often on the sell side and Hungarian investors more and more on the buy side. Despite the shift, these classic deals remain prevalent in sectors such as pharmaceuticals, healthcare, technology, and energy, reflecting their sustained attractiveness for Western European buyers. The second type of deals was characterized by its complexity, involving multiple legal challenges and hurdles. A notable instance was the sale of Scitec Group to Polish Enterprise Investors, a transaction that took about 10 months to finalize due to its intricate nature. Another significant complex deal was the sale of Hungarian Post Insurance Companies by the German Talanx Group to the Hungarian state recently, which is indicative of a broader trend of foreign investors divesting to Hungarian entities. This aligns with the Hungarian government's initiative to increase national ownership to 50% in strategic sectors like energy, telecommunications, and banking and insurance. The third type included cross-border transactions where Hungarian entities were part of a larger group being acquired. Such deals have been a constant over the years but have evolved recently. We're observing a trend where Western companies are more frequently acquiring groups of businesses that include Hungarian subsidiaries rather than directly investing in standalone Hungarian companies.

**CEELM:** Looking back at the last 10 years, what have been your and your team's most intense periods, and what do you believe led to them?

**Forgo:** The most challenging period was undoubtedly during the COVID-19 outbreak, particularly in the early months of 2020, when many transactions were put on hold or abandoned. However, in our practice, the past two years have marked a significant rebound, with an upsurge in M&A activities.

This surge can be attributed to several factors. Our firm's reputation as an M&A specialist and our long-standing client relationships with some private equity and strategic investors have played a crucial role. We have also developed deep sector-specific expertise, particularly in pharmaceuticals, energy, TMT, and insurance, which attracted a diverse range of transactions.

**CEELM:** How have the client profiles evolved over the last decade?

**Forgo:** There's been a significant shift in our client base over the last decade. Initially, most of our deals involved foreign strategic investors acquiring Hungarian companies where we have represented either selling Hungarian owners or Western foreign strategic buy-side investors. However, the tide has turned, with a noticeable increase in foreign investors on the sell side and Hungarian entities emerging as buyers. Furthermore, there's a growing presence of investors from Central and Eastern Europe, including the Czech Republic, Slovakia, and Romania. These investors seem more adept at navigating the unique legal and economic challenges of Hungary, which can be attributed to their regional familiarity and understanding of local nuances.

**CEELM:** And what about their needs? What new expectations do you see from clients, and what do you feel has dropped in importance?

**Forgo:** Client expectations have evolved considerably. Today, clients seek highly specialized legal advice tailored to specific sectors. The era of general legal knowledge sufficing is over; clients now demand expertise in distinct niches. They also prioritize quick and efficient service, along with a favorable balance of cost and quality. Another critical expectation is the ability of firms to act as problem solvers who facilitate deal closures rather than complicating them. These skills are increasingly valued, placing pressure on firms to develop such capabilities.

**CEELM:** What have been the main recurring legislative challenges you have faced in making deals happen?

**Forgo:** Merger control filings, traditionally a significant hurdle, have seen some easing with raised thresholds and a simplified procedure. This change has led to quicker approvals in most cases. Conversely, FDI control has become more stringent, especially during the COVID-19 pandemic. This control process often extends transaction timelines significantly, sometimes by 2-3 months.

**CEELM:** What is on the horizon? What do you believe will be the highlights in a similar interview 10 years from now?

**Forgo:** Looking ahead, I anticipate the continuation and strengthening of trends like Hungarian buyers investing more in local assets. I also expect Central and Eastern European private equity and strategic investors to become increasingly active in the Hungarian market. However, this might result in lower valuations for Hungarian targets, a potential downside to this shift. ■



# A DECADE OF M&A IN KOSOVO

By Teona Gelashvili

**Kerveshi & Partners Managing Partner Kujtim Kerveshi** talks about the evolution of the practice and their role as legal advisors in Kosovo over the last 10 years

**CEELM:** Over the last 10 years, what types of projects have been keeping your M&A team busy?

**Kerveshi:** Our M&A team has been involved in a diverse range of projects. Initially, we found ourselves engaged in construction, IT technology, private hospitals, and the energy sector, including mines and minerals. However, in the last five years, technology has emerged as a dominant player. The market, both locally and internationally, witnessed a surge in technology-related projects. This growth trend continued even through the challenges posed by the COVID-19 pandemic.

**CEELM:** What were the specific dynamics within these sectors, and how have they evolved over the years?

**Kerveshi:** In the technology sector, we observed a significant increase in both local and international markets. Local entities began expanding and selling shares to international investors. This trend intensified post-2018. Energy experienced substantial growth due to government initiatives supporting alternative energy parks. While some international investors explored opportunities, regulatory obstacles and opposition from public entities presented challenges. In the life sciences sector, particularly in terms of private hospitals, German and Turkish investors played a prominent role. However, the intricacies of license transfers and regulatory compliance added layers of complexity to our work. Construction, a sector we enjoyed a lot of mandates in, faces uncertainties and legal security issues. Despite a brief pause during the pandemic, the industry continued to grow rapidly, albeit with more competitive pricing.

**CEELM:** During this time, what were the most intense periods for your team?

**Kerveshi:** The past decade brought both challenges and opportunities. The COVID-19 pandemic, while having negative impacts, also accelerated developments in technology. Remote working and virtual communication became essential tools, facilitating discussions with clients. Sectors like retail, medicine, and pharmaceuticals experienced growth, offsetting the decline in areas such as electricity, mines, and minerals, where government policies to shut down businesses impeded progress. Post-COVID, a surge in investments occurred, but the momentum has slowed down recently, possibly due to political or security concerns.

**CEELM:** How have your client profiles evolved during this period?

**Kerveshi:** Our client base has grown significantly over the years, encompassing a diverse array of entities. We have established strong partnerships with major banks

and retail companies, witnessing mutual growth.

Referrals from existing clients and collaborations with other law firms have contributed to our expansion. As to the origin of investors, we have seen German, Swiss, Turkish, Israeli, Dutch, and UK- and US-based companies investing in our country. Among notable regional investors are Albania, Croatia, and North Macedonia.

**CEELM:** How have client needs and expectations evolved over the years?

**Kerveshi:** Clients are drawn to Kosovo for its appealing investment environment, driven by factors like zero tax on dividends and a youthful, English-speaking population. However, complex and time-consuming bureaucratic processes in certain sectors have become a point of contention. Investors increasingly value streamlined interactions with public institutions, emphasizing the importance of efficiency in obtaining permits and licenses. These days, we particularly notice that investors' main wish remains a lowering of bureaucratic hurdles.

**CEELM:** What recurring challenges have you faced in facilitating deals?

**Kerveshi:** Kosovo maintains a rather stable regulatory landscape, with minimal legislative changes. The establishment of a new commercial court was a recent development impacting the legal landscape. However, ongoing discussions and transitions have sometimes led to delays in legal disputes, emphasizing the importance of timely justice. Additionally, the majority of businesses, particularly those engaged in public contracts, are currently experiencing a downturn. This is due to the government, since taking office, discontinuing significant calls for public contracts. As a result, businesses in this sector are falling apart due to a substantial impact on the flow of money within these enterprises.

**CEELM:** Looking ahead, what do you believe is on the horizon for M&A in Kosovo, and what might be the highlights in a similar interview 10 years from now?

**Kerveshi:** The trajectory of Kosovo's integration into the EU holds significant implications for attracting investors. As we move closer to EU integration, changes in legislation and increased international investor interest are anticipated. Not being a member of the Council of Europe poses limitations, and the current constitutional framework remains a local institution. Changes on this front are inevitable. However, challenges related to security and geopolitical dynamics with Serbia may influence the pace of these developments. Nevertheless, the impact of international investors and the adoption of EU directives are likely to be transformative, shaping the landscape for M&A in Kosovo over the next decade. ■



# A DECADE OF M&A IN MOLDOVA

By Andrija Djonovic

**Vernon David Partner Sergiu Bivol** talks about the evolution of the practice and their role as legal advisors in Moldova over the last 10 years.

**CEELM:** In the last 10 years, what types of projects have been keeping your firm's M&A team busy, and how has its focus evolved over time?

**Bivol:** Over the past decade, our M&A team has been involved in a variety of projects spanning different industries. One of our significant projects was in the telecommunications sector in 2016 when Orange Moldova acquired the biggest local cable and pay TV operator Sun Communications. This marked one of the largest transactions in the country. Following this, we transitioned into the pharmaceutical market, assisting one of the largest pharma companies in Moldova, Farmaprim. Notably, the acquisition of a major pharmaceutical facility by Amring, a global pharma industry leader, stands out as the most substantial transaction in the past decade. The pharma sector continued to draw investments, although not at the same scale.

The banking sector also witnessed a surge in M&A activities, largely triggered by a well-known 2014 fraud case. This set off a series of transactions, including OTP acquiring Mobiasbanca, Moldindconbank being acquired by Bulgarian investor Doverie-Invest, the biggest Romanian bank Banca Transilvania acquiring Victoriabank, and European micro-finance company IuteCredit making history by acquiring Energbank in Moldova. Notably, the momentum in the banking sector persisted, with Victoriabank acquiring BCR (part of the Erste Group) in 2022-2023.

In parallel, the IT industry became very active after legislative amendments in 2015-16, attracting European investors due to preferential tax regimes and a thriving IT park. Recently, the energy sector, particularly in renewables, has also experienced notable movement.

**CEELM:** Looking back at the last 10 years, what were the most demanding periods in terms of workload, and what do you believe contributed to them?

**Bivol:** The period around 2017 marked a significant shift, with a notable acceleration in M&A activities. Prior to 2017, progress was relatively slow, but post-2017, there was a surge, driven by changes in the banking system and corporate governance, triggered in part by the notable banking fraud I mentioned. Moldova's increased visibility in the investor market, coupled with political changes, positioned it as a true European country, contributing to the surge in M&A activities.

Despite a global pause in economic activities during the COVID-19 pandemic, the legal industry, particularly in terms of litigation and restructuring, experienced an unexpected boom, making the pandemic years surprisingly productive for us.

**CEELM:** How would you describe the shifts in the profiles of your clients over the last decade?

**Bivol:** From our experience, in the last few years, there has been a noticeable change in terms of the strategic investors expanding their businesses into Moldova. Initially, Russian investors were rather prevalent, attracted by the bilingual environment as a transition point to the Romanian market. However, there has been a decline in Russian interest over time. In contrast, there has been a growing interest from US investors, especially in the post-2017 period.

**CEELM:** In terms of needs, have you noticed new expectations from clients over time?

**Bivol:** Naturally, the increase in M&A activities has led to a rise in demand for proficient M&A lawyers. While litigation experienced a resurgence during the pandemic, there is a growing need for expertise in energy, particularly renewables, and fintech. Clients consistently emphasize qualities such as attention to detail, meeting deadlines, and delivering quality work. However, one thing that is relatively new from our perspective is an increasing preference for law firms with international experience, especially for cross-border deals.

**CEELM:** How did Moldova's legislative and regulatory framework evolve, and what have been the main highlights?

**Bivol:** In the last three years, substantial upgrades to corporate legislation have occurred, which aligned Moldovan laws with Western trends and institutions. Amendments were aimed at increasing the quality of the legal framework, making Moldova more attractive to investors. Changes in the energy sector, driven by a desire to liberalize the market, and adjustments in the banking sector post the 2014 fraud case have also presented challenges and opportunities.

**CEELM:** Looking ahead, how do you believe the practice will develop? What will be the major focus 10 years from now?

**Bivol:** I believe that the future holds a strong focus on renewables, fintech, and IT in particular. We expect that Moldova's progress toward EU accession will create a pattern similar to Romania's pre-accession period. The M&A landscape is likely to see increased interest from strategic investors expanding into Moldova. Additionally, the expertise gained from legislative changes positions Moldova as an attractive destination for foreign investors, with the legal industry playing a crucial role in facilitating these transitions. ■



# A DECADE OF M&A IN ROMANIA

By Andrija Djonovic

**Musat & Asociatii Deputy Managing Partner Razvan Stoicescu talks about the evolution of the practice and their role as legal advisors in Romania over the last 10 years.**

**CEELM:** Over the last 10 years, what types of projects have been keeping your M&A team busy, and what trends in terms of mandates have you noticed over time?

**Stoicescu:** Over the last decade, our M&A team – part of one of the largest and most mature law firms in Romania – has been involved in a variety of M&A deals and projects. These covered the full spectrum of M&A projects, from privatizations to joint ventures to standard mergers and acquisitions.

The team, currently consisting of six partners and 32 senior lawyers, has remained active across some of the most sophisticated deals in the Romanian market, engaging continuously in mandates and opportunities, both domestically and with a cross-border element.

Deals like the dual listing of Electrica on the BCV and the London Stock Exchange (privatization in 2015), CRH's acquisition of Lafarge and Holcim business in Romania (largest M&A in 2015), the acquisition of A&D Pharma by the Penta group (largest M&A in 2017/2018), the first joint venture between the Romanian state, as majority shareholder, with a private investor (Damen), where the private investor was granted operational control of a state-owned company, the Mangalia shipyard (2018/2019), the USD 3.4 billion acquisition of the Puro-lite group by Ecolab Inc (2021/2022), or the joint venture between Renault Group and Geely to launch Leading Power-train Technology Company (2023) – all are highlights representing some of the most sophisticated deals in the Romanian market.

**CEELM:** Looking back at the last 10 years, what have been your and your team's most intense periods, and what do you believe led to it?

**Stoicescu:** Our practice has been consistently engaged in big-ticket deals during these last 10 years. We have constantly benefited from a flow of large mandates due to our professional reputation and connections with international law firms who recognize our capabilities and our ability to seize market opportunities.

In terms of workload, handling VDRs of thousands of documents has become second nature for us and we have developed specialized DD teams to handle such mammoth projects efficiently. The intensity of our work is often dictated by tight deadlines, but our well-established processes help us manage these pressures effectively.

**CEELM:** How have the client profiles evolved over the last decade?

**Stoicescu:** We've observed a shift toward strategic investors in our client portfolio. Over the past 10 years, the majority of our deals have been with long-

term investors, as opposed to funds, which are less active by comparison in the relatively small Romanian market. This trend reflects a preference for foreign strategic investors, who often aim to integrate local businesses into their larger groups.

One of our recent deals – Kohlberg acquiring a majority stake in Worldwide Clinical Trials – exemplifies this trend. According to market data, primary investors in Romania now hail from the United States, Austria, and Greece.

**CEELM:** And what about their needs? What new expectations do you see from clients, and what do you feel has dropped in importance?

**Stoicescu:** The market's maturation has led to clients becoming more specialized and more articulate in their expectations. Today, successful lawyers must not only find solutions to get deals done but also convince clients to trust their advice, especially when this involves avoiding deal-breaking elements or legal obstacles. The legal landscape has become more complex, raising the bar for what clients expect and for what a successful deal means, with far more sophisticated requirements. As such, the ability to communicate effectively and justify legal strategies has become paramount.

**CEELM:** From a legislative/regulatory standpoint, what have been the main recurring challenges you have faced in making deals happen?

**Stoicescu:** The most significant challenge, from a calendar perspective, is obtaining FDI approvals for investments from outside the EU. This process can add considerable time to deals' closing timelines, which is always a sensitive matter when seen against current market volatility. Since 2022, the importance of FDI approval has grown, sometimes even leading to deals being rejected on national security grounds.

**CEELM:** What is on the horizon? What do you believe will be the highlights in a similar interview 10 years from now?

**Stoicescu:** Looking ahead, the integration of AI into our profession is a key topic. We anticipate significant changes in how legal services are structured and delivered, with AI enhancing efficiency and reducing costs.

Despite this technological shift, we believe the human element remains crucial. Personal connections with clients fostered through direct interactions like face-to-face meetings or events, even informal ones, will be invaluable. In 10 years, I hope we are still known for providing trusted advisory services, augmented by AI, while maintaining the core of our business – our lawyers' ability to deliver sophisticated solutions, in accordance with our clients' needs, through an effective and emphatic human connection. ■



# A DECADE OF M&A IN SERBIA

By Andrija Djonovic

**Dokleštic, Repić & Gajin Partner Slobodan Dokleštic** talks about the evolution of the practice and their role as legal advisors in Serbia over the last 10 years.

**CEELM:** Over the last 10 years, what types of M&A projects have been the primary focus of your team?

**Dokleštic:** Over the past decade, our M&A team's focus has been quite dynamic, reflecting the evolving global and local economic landscapes. We've been primarily collaborating with major international law firms, acting as local legal advisors. This role has encompassed a variety of projects, from classical mergers and acquisitions involving transactional documentation and competition clearances to intricate joint ventures. In the banking sector, we've been at the forefront of significant consolidation movements. Serbia, at one point, had as many as 30 banks operating in the market, a number that has substantially decreased over the years. The early part of the last decade saw us deeply engaged in restructuring and insolvency deals as we were emerging from the global financial crisis. Handling distressed assets became a primary focus during this period, requiring a nuanced approach to financial and legal challenges.

**CEELM:** Throughout this period what have been your and your team's most intense periods?

**Dokleštic:** The intensity of our workload has ebbed and flowed in correlation with regional economic trends and global events. Between 2012 and 2015, we experienced a phase of modest transactional volume, reflecting Serbia's economic climate and its position within the Balkans and the larger former Yugoslav market. However, the period leading up to the COVID-19 pandemic marked a significant uptick in our activities. We handled an increasing number of deals annually, peaking at 20 transactions per year. The pandemic initially presented challenges, but our pipeline of deals and adaptive strategies ensured that we navigated this period with relative ease. Post-pandemic, we witnessed a surge in activities, further solidifying our position in the market.

**CEELM:** How have the client profiles changed over the last decade?

**Dokleštic:** The last decade has seen a significant evolution in our client profiles. While we continue to collaborate closely with international law firms on global and regional transactions, where Serbia is often a part of larger, multi-jurisdictional deals, our client base has diversified. This diversification is evident in the increasing number of foreign direct investments into Serbia, where we often take the lead counsel role. Our clients now come from a wide array of geographies, including traditional Western markets like the US and EU, as well as emerging markets such as China and the Middle East. This geographical diversity has been instrumental in keeping our firm engaged and adaptable, especially during times of geopolitical complexities.

**CEELM:** What new expectations do you see from clients, and what do you feel has dropped in importance?

**Dokleštic:** Client expectations have undergone a significant transformation. A one-size-fits-all approach is no longer viable as preferences and needs vary widely. However, a universal trend we've observed is the growing demand for practical, to-the-point legal advice. The era of extensive due diligence reports has given way to a preference for succinct, focused guidance on specific local legal challenges. This trend is particularly noticeable among international firms, private equity funds, and strategic investors, who all seek clear and concise risk assessments. Technology has also emerged as a critical factor in client expectations. Over the last decade, there's been a noticeable increase in the expectation to integrate modern technological tools, including advanced AI applications, into our legal services. This shift toward technology has been driven by the need for efficiency, particularly when dealing with sophisticated clients accustomed to fast-paced, tech-enabled environments.

**CEELM:** What have been the main recurring legislative challenges you have faced in making deals happen?

**Dokleštic:** We've been fortunate to not encounter significant legislative or regulatory obstacles in our deal-making processes. In Serbia, standard requirements such as merger approvals and specific banking sector regulations have posed challenges but have generally not been deal-breakers. However, the stringent anti-money laundering rules introduced recently have been a notable challenge, particularly in the context of opening bank accounts for foreign clients. This process has become time-consuming and occasionally frustrating – though still not a deal-breaker. It's a delicate balance between adhering to necessary regulations and maintaining business efficiency, and this is an area where we believe there's room for regulatory improvement.

**CEELM:** What do you believe will be the highlights in a similar interview 10 years from now?

**Dokleštic:** Looking to the future, I anticipate artificial intelligence will play a pivotal role in the legal industry. Over the next decade, the integration and effective utilization of AI will likely be a defining factor for law firms. Those who can successfully implement AI technologies will gain a competitive edge, enhancing efficiency and client service. Our firm is acutely aware of this trend and is actively exploring ways to leverage the cost advantage of Serbia's IT expertise. While competing with Western firms on certain fronts remains challenging, our strategic focus on AI integration positions us well for future growth. In 10 years, I expect the legal industry to have transformed significantly, with AI at the forefront of this evolution. ■



# A DECADE OF M&A IN SLOVAKIA

By Teona Gelashvili

**Ments Partner Peter Makys** talks about the evolution of the practice and their role as legal advisors in Slovakia over the last 10 years.

**CEELM:** Over the last 10 years, what types of projects have kept your M&A team busy?

**Makys:** Over time, our team has been primarily engaged in M&A deals and projects, including corporate restructurings and minority management buyouts. There were a few joint ventures, as well as exits from shareholding structures. The landscape has evolved significantly, with a noticeable emphasis on acquisitions of highly specialized technology companies. Many of these companies, often established three decades ago, are now available on the market for the first time, presenting a unique opportunity for investors. The focus has shifted toward sectors like infrastructure and specialized tech firms, predominantly family enterprises. In recent times, founders' exit has made these entities particularly attractive. Moreover, there's an obvious shift toward ESG considerations. Assessment of any potential liabilities from ESG non-compliance and future investment requirements is becoming a rather important part of transactions, and this is also something that wasn't present to such a degree 10 years ago.

**CEELM:** Looking back at the last 10 years, what were the peaks in terms of workload?

**Makys:** There were a few peaks in the M&A market, notably during the second half of 2020. The aftermath of the initial pandemic shock led to a surge in investor activity. With accumulated capital and concerns about inflation, there was a keen interest in investment opportunities. It was an extremely intense period, as anyone who had capital was interested in investing it. This resulted in a peak in M&A transactions. However, by the second half of 2021, once everybody invested their available capital, this rush diminished significantly.

**CEELM:** How have the client profiles evolved over the last decade?

**Makys:** I wouldn't say there was a drastic change in client profiles but there was an evolution. Client profiles have evolved with a visible presence of start-ups on the selling side, some also actively seeking investment opportunities in similar ventures on the buy side. Additionally, institutionalized investors and specialized investment funds, particularly in tech industries like IT and pharma, have become more prevalent. While foreign investors, especially from Western Europe and CEE, remain significant, there's a growing trend of domestic investors. The focus has shifted toward specialized analyses of potential targets and integration within existing portfolios.

**CEELM:** What new expectations do you see from clients?

**Makys:** We saw some progress in that regard. The

evolving needs of clients, especially those in specialized industries, include a demand for lawyers with industry-specific knowledge. While general M&A expertise has traditionally been crucial, a solid understanding of businesses in sectors like IT, pharma, or heavy industry is now expected. Lawyers are increasingly required to possess not only legal knowledge but also a sound understanding of business operations to point out business-related risks and problems as well.

There has also been a shift in the perceived importance of the due diligence process. While historically a cornerstone of M&A, the focus on exhaustive due diligence has started to slowly diminish. Nowadays, there are fewer complex due diligence processes – rather they are mostly limited to the most important aspects of the target like core business matters and compliance. Instead, there is a growing reliance on limited scope due diligence processes, speedy conclusion of a deal, and potentially incorporating warranty and indemnity insurance. This shift indicates a greater acceptance of risk mitigation strategies beyond the traditional due diligence approach. While some investors are still rather conservative, we are seeing the growing popularity of warranty and indemnity insurance.

**CEELM:** From a legislative/regulatory standpoint, what have been the main recurring challenges you have faced in making deals happen?

**Makys:** Stricter compliance regulations, especially those related to ESG considerations, have added layers of complexity to transactions. Highly specialized technology companies, in particular, face intricate regulations, making the due diligence process more demanding. Another recurring challenge stems from the perceived rigidity of Slovak legislation. Efforts, such as recodification committees – some of which we are members of – are underway to address these challenges, with optimism surrounding the upcoming act on corporate transformations, expected to contribute positively.

**CEELM:** What is on the horizon?

**Makys:** Looking ahead, environmental compliance, especially within the broader ESG framework, will likely play a pivotal role in the upcoming decade. Trends such as decarbonization in heavy industry and the transformative impact of the technology boom, including digitalization, AI, and automation, are expected to reshape M&A transactions. I believe that concerns over supply chain vulnerabilities and a likely push for portfolio diversification will also become more pronounced. Additionally, evaluating acquisition targets with a strategic eye on risk mitigation and adapting to the evolving global landscape will likely define the highlights of M&A in the next decade. ■





# A DECADE OF M&A IN TURKIYE

By Andrija Djonovic

**KP Law Managing Partner Onur Kucuk** talks about the evolution of the sector and their role as legal advisors in Turkiye over the last 10 years.

**CEELM:** Over the last 10 years, what types of projects have been keeping your M&A team busy?

**Kucuk:** Reflecting on the Turkish economy's evolution over the past 10 years, the types of projects we encountered a decade ago were varied and numerous, attracting foreign investors from all countries. These projects ranged from exclusive Turkish deals to global ventures, without any distinct segmentation in the M&A sphere. Turkiye's resilience during the 2008 financial crisis played a significant role in attracting investments – with a growing economy, high public and private spending, and strong government confidence, our country was an attractive investment destination. However, global changes have since directed investor focus toward market-infused targets, both locally and globally. The current trend leans toward strategic investors rather than private equity and venture capital ones, influenced by rising interest rates and the costlier global financial landscape. This shift is also reflective of the Turkish economy's characteristics. Notably, foreign direct investments have somewhat diminished, and there's a growing inclination toward technology and fintech projects. The emergence of unicorns in these sectors is a testament to the prowess of Turkish players in these markets – they've been doing a great job, overall.

**CEELM:** Looking back at the last 10 years, what were the highlights in terms of your team's workload, and what do you believe led to them?

**Kucuk:** In the period between 2013 and 2016, we saw a surge in M&A deals and foreign investments. However, post-2018, there was a slowdown, influenced by changes in Turkish economic policies and a decline in foreign direct investment to approximately 10-20% of what it was a decade ago. The global economy, particularly the pandemic, also reshaped business practices. Government subsidies aimed at economic survival have now resulted in high inflation rates. To combat this, central banks adopted tighter monetary policies, reducing investment activities and affecting M&A deals. Turkiye's experimentation with unorthodox economic policies, especially in managing inflation, didn't yield the expected results. As of mid-2023, policy changes are underway, and we anticipate a revival in M&A activities and foreign investments. Throughout these fluctuations, industrial manufacturing M&A deals remained constant. Turkiye's robust manufacturing and industrial facilities continue to attract strategic investors. The shift from predominantly EU and US investors to those from the UAE and former Soviet countries is also notable.

**CEELM:** What led to this change in investor dynamic? What is driving UAE investors to the market?

**Kucuk:** I think they see our country as a hub that enables entry into new markets, alongside the attractiveness of expanding operations to Turkiye. We have,

in a way, always been an EU-adjacent lion of sorts. For example, we have a strong textile industry and are a strong agricultural player – these sectors are most attractive and could be considered a sort of honey pot.

On the other hand, Western investors' decline in numbers is most likely more related to the internal economic policy shifts in their countries of origin than it has to do with Turkiye as such.

**CEELM:** What changes have you observed in client expectations and needs?

**Kucuk:** Two significant shifts are evident: the increasing importance of ESG issues and the growing prominence of technology. There's heightened client interest in understanding the environmental impacts and compliance aspects of potential investments. Additionally, as technology becomes more integral to our lives, clients, especially in tech and fintech, expect legal advisors to have a grasp of both the legal and commercial aspects of their industries. Our clients wish to see us have the capacity to analyze and comment not just on the legal aspects of a deal but also on the commercial aspects of the industry as a whole. The focus of lawyers can no longer solely be local – it needs to incorporate other legislation on a specific matter, meaning that we need to develop a commercial sense to be able to at least comment on and compare foreign laws with local ones. This is most evident, for example, when it comes to understanding data privacy laws across different jurisdictions, necessitating a broader and more commercial approach to legal practice.

**CEELM:** From a legislative/regulatory perspective, what have been the main recurring challenges you have faced in making deals happen?

**Kucuk:** Regulatory challenges have not deterred deal-making. Our role involves structuring deals to comply with regulations without breaching laws, of course; yet despite various regulatory changes in Turkiye over the past decade, none have significantly deterred investors. Queries about capital movement regulations have increased, but they haven't impeded investments.

**CEELM:** What lies on the horizon, and what do you believe will be the highlights in a similar interview a decade from now?

**Kucuk:** I predict a transformative shift in business practices, akin to an industrial revolution, over the next decade. This change will demand creativity for survival. In addition to technology's continued influence, I think Turkiye will regain its position as a significant destination for foreign direct investment – much like it was a decade ago. Additionally, I am hopeful for the resolution of current geopolitical conflicts. ■



# A DECADE OF M&A IN UKRAINE

By Teona Gelashvili

**Avellum Managing Partner Mykola Stetsenko** talks about the evolution of the practice and their role as legal advisors in Ukraine over the last 10 years.

**CEELM:** What types of projects have kept your M&A team busy? How has that evolved over time?

**Stetsenko:** Inevitably, lawyers closely align with clients' needs across industries. Significant shifts in sectors such as agribusiness, FMCG, machinery, and IT over the past decade naturally impacted our work. Our M&A team handles diverse deals, including traditional strategic M&A transactions with share-purchase agreements and shareholder agreements. We also have a significant focus on private equity, with a noticeable surge in both private equity firms and transactions post the Revolution of Dignity in 2014. The third area is the IT industry, involving lighter M&A deals, primarily at the US and sometimes EU levels, that involve Ukrainian elements. While due diligence in such deals is much smaller in size, we cover employee, tax, strategic, and data protection issues. The fourth area covers traditional corporate advisory work.

**CEELM:** In terms of volumes, what were noticeable highs and lows in the past decade?

**Stetsenko:** There were three major lows work-load-wise: the revolution in 2014, the COVID-19 pandemic in 2020, and the war in 2022. Compared to the war, the revenue dip during the former seems insignificant. Today, we are still in the process of fully recovering, especially in terms of the sheer volume of work. Our most intense moments, on the other hand, correspond with the lows: following the revolution in 2014 and the election of the new president and government, there was a surge of reforms that significantly fueled M&A activity in Ukraine. The peak period was likely 2017-2018. In 2021, post-pandemic, previously delayed investments were finally able to materialize, giving us another super busy year.

**CEELM:** How have the client profiles evolved over the last decade?

**Stetsenko:** We've observed an increase in the number of private equity investors and growing interest from venture capital investors in Ukraine, particularly in the dynamic IT sector. The transformation in profiles, especially in renewables, has been remarkable, with younger and more diverse management and shareholders rapidly making strides. It's been exciting to witness young managers and IT gurus evolving into experienced entrepreneurs, developing and selling innovative businesses. In the latest wave, defense start-ups entered the market, bringing a somewhat different crowd compared to IT specialists. In defense, the primary focus is on engineers specializing in physics and math, and many are relatively young. It's gratifying to see these individuals applying their skills to the development of drones and anti-drone systems.

**CEELM:** What about their needs? What new expectations do you see from clients?

**Stetsenko:** Clients have certainly become more sophisticated. For instance, a decade ago, encountering a client who would consider a shareholder agreement was less common. Now, clients anticipate that their lawyers are highly experienced in a range of instruments they've heard of, not just simple shareholder agreements but also various convertible shares, liquidation preference options, etc. Clients also expect that, with technological advancements, tasks can be completed more efficiently or cost-effectively. It may be true, particularly in standard transactions, however, when dealing with bespoke agreements and intensive negotiations, there is a unique aspect to the documentation that goes beyond what was seen more than 10 years ago.

**CEELM:** What have been the main recurring challenges you have faced in making deals happen?

**Stetsenko:** In most cases, I believe that there has been a simplification and an increase in the number of instruments, particularly in M&A. Regulators have also streamlined processes, especially for small and mid-sized transactions, aligning regulations with best practices. Ukraine continues to harmonize legislation with the EU. Corporate law has seen improvements, exemplified by the detailed and flexible regulations for privately owned corporations. Business registration, for instance, in Ukraine is now quicker (only a matter of a few hours) and done online. Interestingly, we recently handled a distinctive case involving the conversion of preferred shares into ordinary shares. While it may sound simple, our legislation didn't cover it, prompting us to draft new legislation, lobby with the regulator, and finally obtain an approved regulation. In the past, our firm also played a pivotal role in introducing shareholder agreements as a legal instrument in Ukrainian law.

**CEELM:** What do you believe will be the highlights in a similar interview 10 years from now?

**Stetsenko:** I believe that in 10 years, Ukraine will be a part of the EU, and our legislation will become more complex. With technology advancing rapidly, laws and regulations will need to catch up. Looking back, there were few or no laws on data protection a decade ago, but now regulations are expanding every year. The same is true for artificial intelligence, where issues like the regulation of self-driving cars will likely become more prevalent. I anticipate an increase in virtual reality and augmented reality, requiring additional regulation. However, despite these changes, I think we will still be involved in M&A deals because they reflect human nature. Regardless of simplified regulations, people enjoy bargaining, and M&A is about finding the best buyer willing to pay the highest price – a dynamic driven by competing forces that is true from both a commercial and legal perspective. ■



# A DECADE OF BANKING IN BULGARIA

By Andrija Djonovic

**Schoenherr Partner Tsvetan Krumov talks about the evolution of the banking sector and their role as legal advisors in Bulgaria over the last 10 years.**

**CEELM:** Over the last 10 years, what types of deals and projects have kept your banking/finance team the busiest? How has that focus evolved over time?

**Krumov:** In Schoenherr Sofia, our focus has largely been on classic finance work, particularly representing lenders in substantial acquisition finance deals. Despite perceptions, there hasn't been a decline in classic finance – in fact, we've seen a consistent influx of such projects.

The landscape has notably shifted, especially in the realm of green initiatives. Solar panel projects, once prohibitively expensive and dependent on state subsidies, are now pursued for their business viability. Our role has expanded to encompass regulatory work, especially in derivatives and financial instruments designed to manage risks like currency exchange. We're deeply involved in these sectors, from drafting master agreements to advising on legislative developments for hedging instruments.

Bulgaria's banking sector has maintained surprisingly low interest rates, a trend that is somewhat divergent from many Western European nations. This has had profound implications for project financing, making Bulgaria an attractive prospect for large-scale investments.

**CEELM:** Looking back at the last 10 years, can you pinpoint the most intense periods your team has faced in the banking and finance sector? What factors do you believe led to these particularly busy times?

**Krumov:** The past decade has been characterized by consistent activity with increasing deal volumes. The pandemic brought about a phase of uncertainty, yet our ongoing projects provided a buffer against the broader market downturn, to an extent. The Bulgarian economy's resilience, primarily driven by the business sector's adaptability, was key during this period.

A pivotal moment was the 2014 insolvency of a major Bulgarian bank. This event marked the first insolvency of its scale in our country, leading to significant litigation and transactional work. It stressed the need for stringent regulatory oversight and reshaped our approach to banking insolvency matters.

**CEELM:** How have the profiles of clients in the banking and finance sector evolved over the last decade?

**Krumov:** Our client base has been fairly stable, with a strong focus on lending institutions. We have

advised significant foreign investors, particularly in the telecommunications sector. While our involvement in large acquisition finance projects remains a constant, the last few years have seen a surge in interest in Bulgarian IT businesses. This shift represents a diversification in our client portfolio, with an increasing presence of investment funds rather than traditional strategic investors.

**CEELM:** What about client expectations – what new demands do you see emerging in the banking and finance sector? Conversely, which aspects do you think have diminished in significance over time?

**Krumov:** A notable trend is the borrower-driven nature of large financings, with lenders increasingly accommodating borrowers' requests. This shift reflects a more collaborative dynamic in financial negotiations, balancing the interests of both parties. Borrowers – especially the more sophisticated ones – are leveraging their own advisory services, while smaller entities are increasingly reliant on impartial advice from lenders' consultants.

**CEELM:** From a legislative and regulatory standpoint, what recurring challenges has your team encountered in facilitating deals and projects?

**Krumov:** The regulatory landscape has been shaped by EU directives, requiring banks to adapt and comply with new standards. Initially, this led to a reliance on external legal advice, but over time, banks have developed robust in-house capabilities. The recent EU restructuring directive implementation in Bulgaria is a significant milestone, aimed at pre-empting insolvency for distressed businesses. Additionally, reforms in the insolvency regime have alleviated concerns for lenders, particularly regarding clawback rules and payment invalidations during suspect periods.

**CEELM:** Looking ahead, what do you anticipate being on the horizon for the banking and finance sector? What might be the focal points in a similar interview a decade from now?

**Krumov:** The future will likely see the EU and, by extension, Bulgaria, becoming more adept at handling crises. The lessons learned from recent challenges like the COVID-19 pandemic and geopolitical tensions are invaluable. As Bulgaria continues to align with larger EU economies, a positive yet realistic outlook is essential. The banking and finance sector will need to remain agile and responsive to these evolving dynamics. ■



# A DECADE OF DISPUTES IN ROMANIA

By **Andrija Djonovic**

**Musat & Asociatii Partner Iuliana Iacob** talks about the evolution of dispute resolution and their role as legal advisors in Romania over the last 10 years.

**CEELM:** Over the past decade, what types of disputes have kept your team busy? How has the nature of these disputes evolved over time?

**Iacob:** The last decade has seen our practice handle multiple sophisticated international arbitration cases, particularly in the construction and infrastructure, energy, and insurance sectors. In addition to these, we've acted in complex cases before the Court of Justice of the European Union and the European Court of Human Rights. These disputes have become increasingly challenging, reflecting the dynamic developments in Romania. The period has also witnessed the emergence of new sectors, notably renewable energy, which has brought fresh challenges.

Moreover, the local arbitration scene in Romania has undergone an extraordinary transformation. A decade ago, arbitration was less prominent, but now we see a significant increase in cases and sophistication of disputes. A notable change came in 2018 when our leading local arbitration institution modernized its rules, aligning with major international standards. The disputes we handle are complex and high-stake, involving intricate legal and contractual issues across various sectors, and we've seen substantial growth in cross-border proceedings.

**CEELM:** Reflecting on the last 10 years, what were the most intense periods for your team, and what factors do you believe contributed to these intense periods?

**Iacob:** Our team has been fortunate to work on a consistent stream of complex arbitration and court cases. While we experience relatively relaxed periods, typically in the summer, the periods leading up to significant filings or hearings are particularly challenging.

These times test our intellectual capabilities and require us to integrate seamlessly with colleagues across different departments, leveraging our collective expertise. The COVID-19 pandemic brought unique challenges, especially in adapting to virtual hearings and remote proceedings.

Intense periods have also typically been the weeks leading up to complex hearings in international arbitration cases and are characterized by extensive preparations. Such hearings can often span several days and involve complex expert or witness cross-examinations. They are pivotal moments in arbitration disputes.

**CEELM:** Concerning client needs in dispute resolution, what new expectations do you see emerging, and which aspects do you think have decreased in importance over time?

**Iacob:** Clients' needs are always at the forefront of our practice. They increasingly expect not only a deep understanding of their business but also a rapid and effective response. Our approach is holistic, aiming to address their needs comprehensively. In today's fast-paced business environment, clients value an economic and cost-efficient approach, particularly in arbitration. Our objective is to offer legal advice that fully aligns with their expectations and needs.

**CEELM:** From a legislative standpoint, what recurring challenges has your team faced in dispute resolution, and how have these challenges changed over time?

**Iacob:** When it comes to arbitration, the last decade has brought significant changes. In 2018, we saw a major overhaul in the local institutional arbitration framework. These changes generally signify positive growth and development in the field of arbitration in Romania, introducing new concepts and aligning with international standards. A key challenge for us has been dealing with multiple applicable laws in cross-border matters, necessitating a thorough understanding of not only Romanian law but also various international legal systems. This has been both a challenge and an opportunity, particularly in some of our most complex projects.

**CEELM:** What is on the horizon for dispute resolution? What do you believe will be the highlights in a similar interview 10 years from now?

**Iacob:** Looking ahead, I expect disputes, especially in sectors like renewable energy and new technologies, to become increasingly sophisticated and complex. Local dispute resolution, particularly in the field of arbitration, is poised for significant growth and heightened visibility both in Europe and internationally.

As for our practice, we expect to continue to engage in international projects and cross-border matters, handling intricate cases that involve multiple legal systems and parties from various parts of the world. The tools and methodologies we rely on are likely to evolve, incorporating new technologies. I am also confident that the local arbitration community will continue to grow and develop. ■

# A DECADE OF ENERGY IN BULGARIA

By Andrija Djonovic

**CMS Bulgaria Managing Partner Kostadin Sirleshtov** talks about the evolution of the energy sector and their role as legal advisors in Bulgaria over the last 10 years.

**CEELM:** What has kept you and your energy team the busiest over the last decade?

**Sirleshtov:** From 2013 to 2015, our focus was on safeguarding the interests of foreign investors in the renewables sector, particularly in the wake of retroactive legislative changes impacting feed-in tariffs. This era was marked by significant legal challenges, as over EUR 2 billion had been invested prior to 2012, only to be affected by these regulatory shifts. We engaged in extensive legal battles, including high-profile cases in the supreme and constitutional courts, where we successfully defended our clients' interests. Later, the period of 2015-2018 saw a diversification in our workload – renewables remained a significant area, buoyed by a more stable regulatory framework and an influx of expert input. This stability fostered a conducive environment for refinancing projects and M&A activities, underpinned by feed-in tariffs. At the same time, we also delved into the upstream oil and gas sector, working with industry giants like OMV, Total, and Shell on substantial investments. Since 2018/19, the landscape has shifted toward new renewable projects, particularly those developed in merchant markets without reliance on feed-in tariffs. This phase has been characterized by a focus on project development, working closely with developers to navigate this evolving market.

**CEELM:** Looking back at the last 10 years, what were the most intense periods in terms of workload, and what factors do you believe led to them?

**Sirleshtov:** The intensity of our work has varied, with notable peaks around 2015-2016 and from 2021 onward. The earlier period was a turning point, marking the end of a challenging era where we combated widespread scepticism toward green energy. This shift was a culmination of our persistent efforts, resulting in numerous refinancing and M&A deals. The resurgence of activity from 2021 can be attributed to the recognition of renewables as the most cost-effective energy source, negating the need for state support. This period saw an influx of merchant projects, driven by a change in regulatory mindset and market dynamics. The year 2022, in particular, stood out due to external factors like the Ukraine crisis and European energy challenges, which amplified the focus on renewable energy.

**CEELM:** How have the profiles of energy projects evolved over the last decade?

**Sirleshtov:** The energy project landscape has undergone a dramatic transformation. In 2013, the market was dominated by foreign investors, with a clear demarcation between Bulgarian developers and international financiers. However, the subsequent reduction in feed-in tariffs prompted a shift, with many foreign investors

exiting the market, often selling their stakes at lower prices to escape volatile market conditions. This vacuum gave rise to a new breed of Bulgarian speculative players who entered the market with the hope of tariff recovery, a gamble that proved successful for some. Between 2015 and 2018, we observed a trend of large foreign funds and investors divesting to entities with a long-term vision. The most recent period – from 2019 to 2022 – showcased an active market with a unique mix of optimism from both Bulgarian and foreign investors. However, overly enthusiastic investments by some Bulgarian entrepreneurs last year led to a recalibration of expectations, paving the way for a more balanced approach between international and local investors.

**CEELM:** What new expectations do you see emerging from clients, and what aspects do you think have decreased in importance over time?

**Sirleshtov:** The evolution of client expectations mirrors the changes in the energy sector. In the early days, our focus was predominantly on navigating the regulatory landscape, offering assurance and protection against governmental unpredictability. This period was characterized by smaller, less complex projects, where our role was more about providing a secure investment framework. In contrast, the current climate demands a deeper engagement in project development. With government influence receding, our attention has shifted toward ensuring that projects are developed in compliance with increasingly stringent legal and environmental standards. Our role has evolved from being predominantly strategic advisors to being involved in detailed legal work, emphasizing environmental considerations and local community impacts.

**CEELM:** What is on the horizon for the energy sector? What do you believe will be the highlights in a similar interview 10 years from now?

**Sirleshtov:** The next decade promises transformative changes in the energy sector. We anticipate significant developments in onshore wind energy and the emergence of innovative trends like floating photovoltaic systems, originating from Asia, and agrivoltaics – a concept gaining traction in Western Europe. Battery storage is set to become a pivotal component in managing the discrepancies between renewable energy generation and consumption patterns.

Infrastructure upgrades will be a key focus, alongside the development of new nuclear units across Central and Eastern Europe. These developments, while challenging, present an exciting landscape for the energy sector, promising a more sustainable and efficient energy future. ■



# A DECADE OF ENERGY IN HUNGARY

By Teona Gelashvili

**Nagy es Trocsanyi Partners Orsolya Kovacs and Viktor Jeger discuss the evolution of the energy sector and their role as legal advisors in Hungary over the last 10 years.**

**CEELM:** In the past decade, what types of energy projects have been keeping your team busy?

**Jeger:** Our activities in the energy sector covered the full spectrum of the field. We had clients in the oil and gas and electricity sectors and dealt with regulatory issues related to transmission, supply, and trade. This includes both national and European regulations. Our work covered investment, construction, financing, trading, and legal disputes in connection with solar, geothermal, nuclear, and natural gas power plants as well as other energy infrastructures. We also provided legal advice on the construction and financing of an international gas pipeline, in addition to representing a client in the settlement of legal disputes arising from contracts for the international transport of natural gas.

**CEELM:** What have been your most intense periods, and what factors do you believe led to them?

**Jeger:** There was no slow period for us. Energy is a vital and constant need. Even during the COVID-19 pandemic, projects continued. The war between Ukraine and Russia led to high-level disputes but didn't result in a decrease in our workload.

**Kovacs:** The energy sector is always dynamic. For example, 10 years ago, we started a major project related to the ongoing construction of a nuclear power plant, which began in 2013. We represented the Prime Minister's office, handling corporate and regulatory work at both national and EU levels. This involved numerous environmental negotiations and coordination with law firms in England, Germany, and Russia. It was a time of high intensity, with about 80% of our lawyers involved. Energy projects have not slowed down since. Recently, the war caused a shock in terms of energy dependency, and now there's a significant shift toward renewables. Hungary – a landlocked country with limited natural resources – has been focusing on energy cooperation and connections with neighboring countries.

**CEELM:** What trends do you see in project categories and investments?

**Jeger:** Solar projects have dominated the last decade, with the capacities of individual projects increasing dramatically in recent years. There has been a sort of gold rush in solar projects, with various capacities, including household-level installations. Projects are now facing difficulties due to agricultural land protection and grid issues. Wind projects take up less horizontal space and will likely provide more balance to the grid.

**Kovacs:** The energy minister recently mentioned that Hungary's capacity will significantly increase by 2030. Hungary has stringent regulations on wind turbines, with a 12-kilometer protection zone around cities, villages, and residential areas, but there's a planned change to reduce this to 700 meters, which we expect will lead to a surge in wind turbine projects.

**CEELM:** What new expectations do you see emerging from clients in the energy sector?

**Kovacs:** Clients now require more creative thinking as technology is still developing. This includes dealing with financing issues, subsidies, and innovative ways to install plants and enter projects.

**Jeger:** Additionally, they need a comprehensive approach to their projects. Our knowledge across different legal fields, including real estate, tax, and corporate matters, is highly valued by clients.

**CEELM:** What have been the main recurring challenges faced in facilitating energy deals and projects?

**Jeger:** We've had to overcome zoning regulations of municipalities, adapt licenses and land registry to accommodate changes in the projects, and deal with constraints of the grid. Currently, there is a capacity ban on solar projects due to imbalances of the grid caused by numerous solar projects, which may prompt the development of new solar projects not connected to the grid.

**Kovacs:** The major challenge is the grid capacity issue. It is not only necessary to modernize the current grid but also to construct new infrastructure, often leading to adverse public interest and sometimes litigation. In Hungary, the diversity of ownership of land often creates clashes of interest in new investments and projects. The government has tried to subsidize modernization and offered tax incentives to speed up the country's energy independence. Renewable projects involve complex issues like regulating wind energy and building out energy storage capacities. There will be a new tender starting January 1, 2024, for subsidizing solar projects and addressing storage complexities.

**CEELM:** What do you believe will be the highlights in a decade, and how do you foresee the industry evolving?

**Jeger:** It's speculative, but discussions with Chinese investors indicate a dualistic future where households use electric vehicles but heavy-duty vehicles are powered by hydrogen. Unused electricity generated by renewables at peak times can be utilized for hydrogen production. Until hydrogen can take the place of natural gas in balancing the grid effectively, natural gas-fired power plants will play an even more significant role than now. Hungary plans to source gas from the new Black Sea project in Romania to meet its needs and is considering commissioning additional gas-fired power plants. I foresee an energy mix consisting of renewables, nuclear, and natural gas, where hydrogen will gradually take over the role of natural gas.

**Kovacs:** I'm optimistic about the future. I anticipate significant technological advancements, with self-production becoming crucial for both individuals and industries. I hope we'll achieve energy security and address environmental issues. The transition from coal to gas turbines in power plants is key for this future. ■

# A DECADE OF ENERGY IN SLOVAKIA

By Andrija Djonovic

**Eversheds Sutherland Slovakia Managing Partner Bernhard Hager** talks about the evolution of the energy sector and their role as legal advisors in Slovakia over the last 10 years.

**CEELM:** What types of energy projects have you worked on the most over the last 10 years? How has this changed over the past decade?

**Hager:** Slovakia witnessed a renewable energy boom in 2010-2011, followed by a quieter period. We then focused on updating and selling projects, particularly in photovoltaics and biomass. The challenge of securing energy for industry remained constant. While the term ESG was not in use back then, projects were essentially driven by social responsibility, aiming to reduce carbon footprints.

At later stages, the predominant focus was on ESG. A decade ago, energy law, especially in renewables, was considered exotic, but now it has become mainstream. We transitioned from being more of a boutique operation in this field to facing competition from the major firms.

Additionally, in the past year, our primary focus has been on energy resilience. Escalating prices led to difficulties for our clients in meeting their energy expenses. The spot market saw electricity prices rise dramatically from EUR 50 per megawatt-hour to an average of EUR 600 per megawatt-hour, reaching EUR 1,000 per megawatt-hour on the spot market in some cases. We had to renegotiate power purchase agreements and advocate for state aid and subsidies, and for many, the decision of whether to temporarily shut down plants became a critical consideration.

**CEELM:** Throughout this time, what were the most intense periods for you and your team, and what factors do you think contributed to those challenges?

**Hager:** Over a decade ago, around 2010-2011, a wave of investors was drawn to Slovakia due to attractive feed-in tariffs. Subsequently, the market stabilized, and our role shifted to supporting these developers. The supply crisis in 2014-15 and the recent one were significant challenges. In the last two to three years, numerous projects were developed aimed at decreasing reliance on foreign energy, specifically oil and gas from the East. The introduction of the *EU Emission Trading Scheme* (ETS) and the continuous reduction of free allocation of emission allowances throughout the years were also crucial developments, requiring heavy industries to reduce carbon dioxide emissions.

**CEELM:** How have the profiles of energy projects evolved over the last decade, and what trends do you observe in terms of the energy project categories and investments?

**Hager:** In the past, renewables were considered more unconventional and were largely introduced due to international obligations. Over time, green energy became a mainstream concern, compelling firms of

all sizes to address it. Currently, our focus extends beyond merely introducing a few photovoltaic panels as we actively assist both light and heavy industries with comprehensive energy needs, ranging from measures to energy efficiency measures for lightbulbs to supply chain issues.

**CEELM:** In terms of client needs, do you see new expectations emerging, and if yes, what are they?

**Hager:** Today, companies increasingly demand more sustainable and green energy solutions. If you consider a plant from years ago, even though energy constituted 80% of their costs, it was managed as a somewhat administrative function, and in the past, as energy lawyers, we typically met with plant managers. Today, we find ourselves in prominent meeting rooms engaging with CEOs or CFOs. Our role has also evolved to encompass a more comprehensive involvement in energy projects, with expectations for us to know and address every aspect. Energy is no longer a standalone issue – rather it is a holistic concern that requires us to comprehend banking, reporting, and technical intricacies. When clients approach us, they expect our insight into how the project will be reflected in the ESG report from the very beginning.

**CEELM:** From a legislative/regulatory standpoint, what have been the main landmark moments in the past decade?

**Hager:** The market underwent a significant transformation with the introduction of the feed-in tariff for renewables, however, after 2011, the state decided to discontinue the project by eliminating the feed-in tariffs, citing an abundance of projects in Slovakia.

Meanwhile, EU regulations focusing on energy efficiency and the ETS gained prominence, and there was a substantial emphasis on ESG and reporting obligations. On the other hand, we are still waiting for the streamlining of permitting procedures to facilitate easier and faster implementation of projects.

**CEELM:** What lies ahead for the energy sector? How do you anticipate the industry evolving?

**Hager:** In a decade, I expect the highlight would be implemented projects aimed at reducing emissions. Achieving zero emissions will be a reality for many industries, and where it is not possible, decarbonization and offset projects like carbon farming and carbon forestry will take place. In addition, I believe there will be more efforts for independence from third countries' energy supply. Energy autonomy in the EU will be a significant issue, aiming to avoid exposure to geopolitical issues as we currently experience in Eastern Europe. ■



# A DECADE OF ENERGY IN TURKIYE

By Teona Gelashvili

**Guleryuz Partners Partner Zahide Altunbas Sancak** talks about the evolution of the energy sector and their role as legal advisors in Turkiye over the last 10 years.

**CEELM:** Over the last 10 years, what types of energy projects have kept your team the busiest? How has that evolved over the past decade?

**Altunbas Sancak:** We have been deeply engaged in a diverse range of energy projects, reflecting the dynamic landscape of Turkiye's energy sector. Earlier, our focus was on traditional energy infrastructure construction, including conventional power plants. However, as the global shift toward sustainable practices gained momentum, we observed a significant increase in demand for legal services related to green energy projects and energy projects that are more efficient than their fossil counterparts. Notably, our team has been actively involved in waste-to-energy plants and the burgeoning field of battery production, and we have recently started leaning even more toward the expanding area of charging stations for electric-powered vehicles. In the earlier years, we primarily navigated the sector through intricate transactions involving mergers and acquisitions of conventional energy companies, shareholder disputes, and regulatory compliance in retail energy. As the decade unfolded, a paradigm shift occurred with an increasing emphasis on renewable energy sources.

**CEELM:** Looking back at the last 10 years, what have been your and your team's most intense periods, and what factors do you believe led to them?

**Altunbas Sancak:** Those coincided with landmark moments in Turkiye's energy landscape. The rapid expansion of green energy projects, such as waste-to-energy initiatives and battery production facilities, demanded innovative legal solutions. The surge in corporate transactions within the energy sector also contributed to particularly intense periods, driven by a combination of market dynamics, regulatory changes, and the pursuit of strategic partnerships. Additionally, our involvement in shareholder disputes within major energy firms presented unique challenges.

**CEELM:** How have the profiles of energy projects evolved over the last decade?

**Altunbas Sancak:** The last decade witnessed a remarkable evolution in the profiles of energy projects, with a noticeable shift toward sustainable and environmentally friendly initiatives. Traditional energy projects, while still relevant, have been supplemented by a surge in green energy projects, reflecting a growing emphasis on sustainability. This all actually underscores a broader global trend toward cleaner, more innovative energy solutions.

**CEELM:** What new expectations do you see emerging from clients in the energy sector?

**Altunbas Sancak:** Client needs in the energy sector have evolved in tandem with the industry's transformation. There is a growing demand for legal counsel

well-versed in the intricacies of green energy projects, reflecting the increased emphasis on sustainability. Clients now expect comprehensive legal support in navigating the complexities of renewable energy regulations, project financing, and ensuring compliance with evolving environmental standards. This need is not only applicable to renewable start-ups and scaling renewable energy companies who are definitely in need of increasing levels of legal guidance to navigate the European and Turkish standards in the renewable energy sector, but also to conventional energy companies who are in need of more legal advice than ever due to the increased levels of regulation in fossil fuels and other conventional energy sources.

**CEELM:** What have been the main recurring challenges faced in facilitating energy deals and projects?

**Altunbas Sancak:** Navigating the legislative and regulatory landscape in the energy sector has been a continuous challenge. One recurring challenge has been the need to adapt to evolving environmental regulations and compliance standards. The dynamic nature of these regulations requires our team to stay vigilant and proactive in ensuring that our clients' projects align with the latest legal requirements. The challenge in the renewables mainly arises from the need to comply with European and Turkish standards in a relatively new area, which means it is subject to change and adjustment over time, hence requiring exceptional legal awareness to ensure full, future-proofed compliance for both Turkish and European markets. The challenge in conventional energy, on the other hand, is to ensure the maintenance of legal compliance in a time when the legislative and regulatory trend is clearly moving increasingly toward the restriction of fossil fuels and the promotion of renewable energy. Additionally, regulatory hurdles in obtaining permits and approvals for energy projects, especially in the renewable energy space, have been a persistent challenge. The need for legal advocacy in overcoming these obstacles has been a key aspect of our practice.

**CEELM:** What is on the horizon for the energy sector?

**Altunbas Sancak:** We anticipate the energy sector to undergo further transformative changes. The adoption of advanced technologies is likely to play a pivotal role in enhancing efficiency and transparency within the industry. We foresee an even greater emphasis on renewable energy sources, with innovations in energy storage technologies and a continued shift toward decentralized energy systems. The next decade is expected to witness an increased focus on international collaborations, especially in the context of cross-border renewable energy projects. As the global community intensifies efforts to combat climate change, we anticipate a more interconnected and sustainable energy landscape. ■





# A DECADE OF PPP/INFRASTRUCTURE IN ROMANIA

By Andrija Djonovic

**Musat & Asociatii Partner Iulian Popescu talks about the evolution of PPP/Infrastructure and their role as legal advisors in Romania over the last 10 years.**

**CEELM:** Over the past decade, what types of PPP/infrastructure projects have been the primary focus for your team, and how has this focus evolved over time?

**Popescu:** The last decade has been transformative in terms of infrastructure development for Eastern Europe, including Romania. The region's infrastructure needs are significant compared to Western Europe and the United States. Since Romania's accession to the EU, there has been a real and tangible impact on infrastructure development.

Post-2010 marked a significant increase in the number and complexity of projects – the early 2010s, following the alignment of legislation and overcoming the economic crisis, marked the beginning of substantial infrastructure development in Romania.

Romania lagged in developing its infrastructure across various sectors, including roads, airports, and medical facilities. The communist era saw significant construction of industrial complexes, housing, hospitals, and educational facilities. However, this infrastructure was largely abandoned post-communism, leading to a considerable gap. The period after 2010 focused on rebuilding in line with EU standards, funded by both budgetary means and external resources.

In recent years, we've seen a shift in focus toward transport infrastructure, particularly highways and airport modernization, in response to increasing needs. Railway infrastructure is now gaining attention as a less polluting alternative. Additionally, waterway infrastructure development has been significant, including the Constanta port, which is crucial for handling grain imports from Ukraine and accommodating large ocean-going vessels. Internal waterways, particularly for transport from the Black Sea to the North Sea via the Danube, have also been a focus area.

**CEELM:** Looking back at the last 10 years, what have been your and your team's most intense periods, and what do you believe led to them?

**Popescu:** The past five years have been the most intense, with a marked increase in infrastructure projects in Romania. Our team expanded significantly to meet these demands, drawing resources from various departments within our firm, such as taxes, environment, and technology. This growth is a direct result of increased European funding in the form of grants, loans, and resilience plans, which have steadily elevated our performance year over year.

**CEELM:** How have the client profiles evolved over the last decade?

**Popescu:** Our client base has diversified significantly over time, initially dominated by Western European and US companies, and increasingly featuring Romanian companies. These local companies have evolved from design-focused firms to major construction players, growing alongside our firm. The development of hospital and military infrastructure has also emerged as a new area, with the state undertaking projects for new regional mega hospitals and new or enhanced military facilities.

**CEELM:** And what about their needs? What new expectations do you see from clients, and what do you feel has dropped in importance?

**Popescu:** Client needs have evolved from basic infrastructure contract requirements to seeking comprehensive solutions encompassing financing, efficiency, and technological advancements. There's an increasing emphasis on eco-friendly and high-tech approaches, including the use of AI and robotics. Our role has expanded from offering legal advice to educating and guiding clients through these complex projects, fostering a proactive rather than reactive approach.

**CEELM:** From a legislative/regulatory standpoint, what have been the main recurring challenges you have faced in projects?

**Popescu:** The legislative environment in Romania, particularly regarding public-private partnerships, is complex. The challenge lies not only in the legislation itself but also in its interpretation by public servants. We often work with courts to clarify and educate on these interpretations. Fiscal legislation, while initially supportive, is also evolving, necessitating continuous adaptation and education.

**CEELM:** What is on the horizon? What do you believe will be the highlights in a similar interview 10 years from now?

**Popescu:** In a decade, the focus will likely shift from building infrastructure to managing it. We expect to see more emphasis on digital transformation, environmental adaptability, and technological integration. Challenges will likely involve contract administration and productivity issues, reflecting a transition from construction to efficient management. ■



# A DECADE OF REAL ESTATE IN BULGARIA

By Teona Gelashvili

**Schoenherr Counsel Elena Todorova and Attorney at Law Dimitar Vlaevsky talk about the evolution of the real estate sector and their legal advisor roles in Bulgaria over the last 10 years.**

**CEELM:** Over the last 10 years, what types of real estate projects have kept your team the busiest?

**Todorova:** A decade ago, the focus was on the real estate developments related to the rapid growth of renewables, particularly in 2012-2013, and that trend continues. The projects are becoming increasingly diverse, transitioning from predominantly greenfield initiatives in 2012 to a mix of greenfield and brownfield projects today. Over the last decade, we have closely monitored the development of renewable projects, aligning with the objectives of the EU *Green Deal* and following the general flow of the EU market.

**Vlaevsky:** Our typical workload has also involved working for clients engaged in the development or operation of large commercial centers, office spaces, industrial buildings, etc.

**CEELM:** What have been your most intense periods, and what factors do you believe led to them?

**Todorova:** There was an intense period between 2012 and 2013, and we are currently experiencing a similar peak. In the past, it was due to the government's policy to maintain prices for green energy at specific levels. Now, we observe a parallel situation influenced by political factors, aligning with EU-wide policies such as the *Green Deal*, and industrial decarbonization. We anticipate that political considerations will continue to impact the Bulgarian market. Assessing the level of ESG compliance in Bulgaria, we expect significant construction and changes in ownership driven by positive actions or the failure to adapt.

**Vlaevsky:** Traditional real estate was the busiest just before the COVID-19 pandemic, with projects completed shortly before the outbreak. Nowadays, while the circumstances have changed, shopping centers are operational again. In contrast, the office market remains fragmented, mainly driven by local developers. Our focus has been on international clients, particularly in the IT sector. Before the pandemic, they were actively seeking premium office spaces due to the competitiveness of the IT labor market. However, the landscape shifted with the onset of the pandemic, and now there's a widespread preference for remote work. Despite these changes, the market remains dynamic with numerous new projects in progress. Post-pandemic, there's a fresh influx of projects in the pipeline.

**CEELM:** How have the profiles of real estate clients evolved over the last decade in Bulgaria?

**Vlaevsky:** A decade ago, clients primarily comprised retailers and developers. Subsequently, there was a noticeable shift toward clients from the energy, TMT, and IT sectors. The landscape of big business has evolved, and our client profile has transformed accordingly.

**CEELM:** In terms of client needs, what new expectations do you see emerging in the real estate sector?

**Todorova:** Expectations have changed regarding what clients are seeking. In the past, when the clients wanted a new office, the emphasis was on a top location with good public transport connectivity. Presently, the priority is a certified building. If there's no opportunity to choose from a selection of certified buildings, it could potentially jeopardize the entire project. Banks are influencing the pace and urging local developers to shift their mindset to align with these expectations. Additionally, in the past, our role as advisors was limited to offering pure legal services, i.e., interpreting what is written in the law and how it is implemented. Now, our advisory services have expanded, and we are frequently called upon to provide insights on the business side of things. Clients often seek predictions as to how a project will develop, requiring an extended form of advice. This shift is largely a result of the evolving legal system and the increasing digitization of the law.

**CEELM:** What have been the main recurring challenges faced in facilitating real estate deals and projects?

**Vlaevsky:** Working in Bulgaria is likely similar to all former communist countries in CEE – challenging because our legislation undergoes constant changes. There is no consistent and reliable legislative framework, and new types of business and transactions, such as energy, IT, and TMT, which were not prevalent in the legal market a decade ago, pose additional challenges. The difficulties extend to the *Spatial Development Act*, which has been amended three to four times a year for the past 15 years. This has led to ongoing disputes among lawyers, architects, judges, state authorities, and others. The current situation mirrors that of 10 or 15 years ago, with dynamic and sometimes poorly coordinated changes.

**Todorova:** In Bulgaria, there's a common joke that the initial draft of the *Spatial Development Act* was designed so that you could only construct four-story residential buildings. Navigating through that when tasked with creating a power plant or infrastructure for a TMT operator is extremely challenging. It certainly adds an element of creativity and keeps the work engaging.

**CEELM:** What is on the horizon for the real estate sector for the next 10 years?

**Todorova:** Looking ahead, I would anticipate a more informal and digital real estate market in the next decade. A decade ago, without online registers, checking land development details was challenging. Now, it's accessible via a simple app. Additionally, bureaucratic obstacles for permits seem to be easing. As for each segment of real estate, I wouldn't invest in an office building now. Logistics might be worth considering in the next three to five years, but I'd lean toward residential properties due to their consistent demand, especially considering the lack of institutionalized investments in this sector. ■

# A DECADE OF REAL ESTATE IN ROMANIA

By Andrija Djonovic

**Albota Law Firm Partner Oana Albota** talks about the evolution of the real estate sector and her role as legal advisors in Romania over the last 10 years.

**CEELM:** Over the last 10 years, what types of real estate projects have kept your team the busiest?

**Albota:** In terms of what we do in general, we've been involved in a diverse range of real estate projects, adapting our services to each project's nature. Our assistance spans from the initial stages of a project until the exit. We tend to act for foreign developers and we assist them in every stage of a real estate project. At the acquisition stage, we perform extensive due diligence in share deals and asset deals, title and permitting verification for land and buildings, title insurance, and offer transaction assistance. During project development, we assist with design and construction agreements, settlements of disputes in construction contracts, construction litigations and arbitrations, lease agreements, financing agreements, including security packages, disputes with the authorities deriving from their delays in issuing various construction permits and certificates, etc. Lastly, during exits, again, we provide assistance with the transactional aspects and mitigation of due diligence issues identified by purchasers' consultants.

Looking at the past 10 years, there have been interesting trends that we've been able to spot. The pandemic shifted market priorities toward residential projects due to the surge in remote working, which adversely affected office space demand. Consequently, this led to more complex leasing agreements with substantial tenant incentives. Despite these market challenges, some clients chose to sell their office assets, adopting innovative strategies involving staggered payment plans and rental guarantees, a significant deviation from pre-pandemic practices.

**CEELM:** Looking back at the last 10 years, what have been your and your team's most intense periods?

**Albota:** Recent few years were marked by an uptick in litigation related to construction agreements – a byproduct of the pandemic and geopolitical tensions. Delays in material delivery and increased construction costs led to disputes over lump-sum price construction contracts. We navigated through two principal scenarios: renegotiating contracts through addendums or dealing with contractor insolvencies. The industry's response to these challenges has been a shift away from lump-sum contracts toward more intricate agreements. Post-pandemic, our focus shifted from high-profile transactions to renegotiating existing contracts that better reflect the market's evolving needs or replacing them with more complicated agreements that provide parties with securities for uncertain situations. Economic pressures have been a constant, requiring us to adapt and find innovative legal solutions.

**CEELM:** How have the profiles of real estate clients evolved over the last decade, and what trends do you

observe in terms of their projects and investments?

**Albota:** While the overall client profile has remained relatively static, some international clients have paused new projects in Romania due to market uncertainties. Nonetheless, our long-standing clients continue to invest in Romania, while new clients show a notable interest in green energy projects – a trend driven by the global energy crisis.

**CEELM:** In terms of client needs, what new expectations do you see emerging in the real estate sector from real estate lawyers, and what aspects do you think have decreased in importance over time?

**Albota:** Clients increasingly seek a deep understanding of commercial matters and transactional structures from their legal advisors. They prefer practical solutions and strategies over mere problem identification. The economic climate has heightened pressures on clients, which are often transferred to us. However, our long-term relationships with clients have enabled us to align our approaches effectively.

**CEELM:** From a legislative/regulatory standpoint, what have been the main recurring challenges your team has faced in facilitating real estate deals and projects?

**Albota:** A significant challenge for the legal market has been the reluctance of public authorities to assist in urban planning, particularly looking at Bucharest under the new mayor's administration.

This change in urbanism policies has led to a market slowdown, affecting developers' projects. Additionally, delays in building permit issuances, coupled with the spike in construction costs and material shortages, have further complicated the real estate landscape.

**CEELM:** What is on the horizon for the real estate sector? What do you believe will be the highlights in a similar interview 10 years from now, and how do you anticipate the industry evolving?

**Albota:** The focus on energy projects is likely to continue, with logistics gaining traction due to anticipated infrastructural improvements. A more supportive approach from public authorities could enhance Romania's appeal to foreign investors. The office sector is expected to recover as the trend of remote working stabilizes, and people recognize the benefits of working in physical office spaces. This shift will foster a more dynamic and collaborative professional environment.

All in all, I can safely say that the real estate sector is evolving, influenced by economic factors, technological advancements, and shifts in work culture. Our role as legal advisors is to navigate these changes, provide strategic guidance, and adapt to the new landscape of real estate transactions and I think there will be more interesting ground to cover in the coming decade. ■



# A DECADE OF TMT IN ROMANIA

By Andrija Djonovic

**Tuca Zbarcea & Asociatii Partner Catalin Baiculescu talks about the evolution of the TMT sector and their role as legal advisors in Romania over the last 10 years.**

**CEELM:** Over the last 10 years, what types of TMT projects have kept you and your team busy?

**Baiculescu:** The TMT sector has been a dynamic and engaging field over the last decade, particularly after the pandemic, which brought a surge in activity. Our team developed a comprehensive practice, encompassing both transactional and regulatory dimensions to cater to our diverse client base, ranging from telecommunications and technology to software development, media, broadcasting, advertising, and the creative realms of artists and musicians. Specifically, in telecommunications, the last decade was marked by consolidation. Major acquisitions like Vodafone's takeover of UPC (we advised Vodafone in that transaction) and Orange's acquisition of Telecom Ro's fixed lines have reshaped the landscape. Furthermore, we advised Clever Media on its acquisition of DCS and Acta Telecom's operations and the subsequent network operating agreements with RCS and RDS, which have led to a more concentrated market with key players.

The media sector has seen significant transactions too. Three years ago, Clever Media's acquisition of Prima TV's activities and licenses was a landmark deal. In software development, government incentives have catalyzed growth, attracting investments and fostering a boom in IT centers, particularly in greenfield activities starting from scratch (The Estee Lauder Companies and Booking Holdings are excellent examples). This trend is especially pronounced in the gaming industry, which has seen an increase in publishers expanding their operations in Romania. However, the rapid expansion phase seems to be stabilizing, with fewer new entrants now. In terms of infrastructure, there's been a trend toward network consolidation, with telecommunications companies striving for cooperative use of shared infrastructures.

**CEELM:** And what would you say were the busiest periods during the same span?

**Baiculescu:** The TMT sector has maintained a consistently high level of activity, with no specific period of slowdown. This constant activity can be attributed to the nature of the TMT sector, which is continuously evolving with technological advancements and market demands. Even during the pandemic, as the world shifted online, our workload remained steady. The legislative landscape, while evolving, did so in a predictable manner, which allowed us to manage changes effectively. However, we did notice a slight dip in new market entries during 2020, which quickly rebounded post-pandemic.

**CEELM:** Has the profile of clients in the sector evolved over the last decade?

**Baiculescu:** Our clientele predominantly consists of multinational corporations, a trend that has been consistent over the past decade. However, we have also been engaged by local entrepreneurs. Foreign investments have been significant, exemplified by transactions involving Maximum Games acquiring the local activities of Fun Labs Romania and venture capital investments attracted by Holotech Studios. Our focus remains on serving large, international players, reflecting the strategic nature of investments in the Romanian TMT market.

**CEELM:** How have client needs in the TMT sector evolved over time?

**Baiculescu:** The core of our M&A activities has remained stable. However, we're observing a clear shift toward digital transformation, particularly in cloud-based activities. There's an increasing demand for transitioning traditional, paper-based processes to digital platforms. Our legal approach remains adaptable, continuing to evolve in response to these new demands.

**CEELM:** What have been the main regulatory challenges faced in facilitating deals and projects within the sector?

**Baiculescu:** The last decade has brought about significant legislative changes, driven by EU directives. These have influenced telecom laws, intellectual property rights, and general compliance requirements. While these changes necessitated adaptations by market players, they didn't pose insurmountable challenges. Thanks to the gradual implementation of these directives, companies had ample time to align with new regulations. Key legislative changes included updates to the *Telecoms Code* and the introduction of the GDPR, which have been crucial in shaping the sector.

**CEELM:** What is on the horizon? What can we expect in the next 10 years?

**Baiculescu:** Forecasting the TMT sector's trajectory is challenging, but certain trends are evident. The shift toward online operations and the development of 5G networks are reshaping the landscape. Romania's traditionally strong broadband coverage, benefiting from technological leapfrogging, sets a solid foundation for these advancements. Cloud computing and telemedicine are areas poised for growth as well. Finally, the burgeoning fields of AI and machine learning are also critical to watch, as they hold the potential to revolutionize various industries. While it's difficult to predict the exact impact these will have, the potential for profound changes is clear. These technologies may bring both opportunities and challenges, especially concerning job markets across industries. ■

# A DECADE OF TMT IN UKRAINE

By Andrija Djonovic

**Baker McKenzie Partner Oleksiy Stolyarenko talks about the evolution of the TMT sector and their role as legal advisors in Ukraine over the last 10 years.**

**CEELM:** What types of projects in the TMT sector have been keeping your team busy?

**Stolyarenko:** The TMT landscape in Ukraine has undergone a significant transformation. Initially, most Ukrainian legislation in the TMT sector, including the *Law on TV and Radio*, was adopted in the early '90s, a period marked by fervent legislative activity as the country embraced its newfound independence. Throughout the '90s, these laws were continuously refined. From around 2010, we observed a pressing need for new regulations in the rapidly developing TMT sector. This need became critical following the 2013 Maidan Revolution, when Ukraine decisively chose not to emulate Russian legal approaches, and strongly declared its aspiration to become an EU member.

Major events such as the 2013 Maidan Revolution and the 2014 Russian aggression had also a substantial impact on the TMT sector. In 2014, the Ukrainian national currency devaluated around 200% and that led to a number of defaults within the local media companies and cable networks that had obligations before the foreign media companies in foreign currencies. Our team was quite busy at that time restructuring existing obligations, helping our clients recover outstanding debts where possible, negotiating renewals of existing licensing agreements, and revoking licenses to counterparties that due to various reasons did not perform their obligations. Many media companies, TV channels, and magazines changed hands during this period following the escape of their former owners associated with pro-Russian president Victor Yanukovich.

**CEELM:** Looking back at the last 10 years, what were the most intense periods?

**Stolyarenko:** The last five years have arguably been the most intense. We've seen about 70% of TMT-related laws change – a harmonization effort aligning Ukraine with the EU. This period necessitated keeping our clients abreast of numerous new regulations, including a brand new *Media Law* that took at least three years to adopt, and we were actively involved in work on this draft. Additionally, the adoption of around 15 new laws, including the *Law on Electronic Trust Services*, a new *Law on Electronic Communications*, a new version of the *Copyright and Related Rights Law*, a new *Law on Collective Management Organizations*, a new *Law on Consumer Protection*, a new *Advertising Law*, and a new *Law on Digital Content and Digital Services* marked significant steps toward EU integration. This period required us to help our clients understand updated regulatory requirements, establish new relations with government authorities, navigate updated governmental powers, manage new filings, and more.

**CEELM:** How have TMT client profiles changed?

**Stolyarenko:** Initially, in the TMT sector, we represented many international companies entering the

Ukrainian market and looking for local partners or licensees. However, with time, we started to get more local work, which remained a stable trend even during the COVID times. The war, however, brought a significant change – in particular in the media sphere. Ukraine introduced a TV marathon – a united news programming produced by the country's biggest media outlets altogether, which broadcasts 24/7 on all major Ukrainian TV channels. There is no advertising on the TV marathon, which was a substantial revenue source for these companies before the war. And that significantly impacted how these TV channels operate now and what content they distribute. Furthermore, some of the new laws, in particular a so-called "anti-oligarch" law, prompted some of the media business owners in Ukraine to abandon their media businesses for fear of being defined as such. Thus, the war and the regulatory changes are reshaping the Ukrainian media landscape, there are changes in technology and telecommunications spheres as well, so it remains to be seen what we will have here when this war is over.

**CEELM:** Concerning client needs in the TMT sector, what new expectations do you see emerging?

**Stolyarenko:** Clients now expect us not only to understand current regulations but also to anticipate future changes. Our role has evolved to include more proactive collaboration with regulators and a forward-looking approach to advising clients. This shift from merely interpreting existing laws to facilitating a dialogue with regulatory bodies and predicting future legislative trends represents a significant change in our approach to client service.

**CEELM:** What have been the main recurring challenges your team has faced in facilitating deals?

**Stolyarenko:** Primarily the pace of regulatory changes and the general uncertainty about their implementation. With courts and regulators themselves still working on understanding how these new regulations should be interpreted and enforced, a period of adjustment is inevitable. We anticipate that it may take another 4-5 years for the situation to stabilize, requiring businesses to undergo substantial restructuring in response to these comprehensive legislative changes.

**CEELM:** What do you believe will be the highlights in a similar interview 10 years from now?

**Stolyarenko:** Looking ahead, I expect the trend of adapting legislation to incorporate new digital media and services to continue. The next decade will likely involve refining these already adopted laws to ensure they are effective in regulating emerging technologies and media formats. As Ukraine aligns more closely with the EU, the focus will be on fine-tuning existing regulations and participating more actively in EU discussions. Our goal is to help clients navigate this evolving landscape and, hopefully, transition Ukraine into a full EU member state. ■



## LEGAL BUSINESS DEVELOPMENT 2.0: INTERVIEW WITH JOHN JAMES MCVEIGH OF NIXEDONIA

By Teona Gelashvili

With a private practice background spanning over 20 years, John James McVeigh is the CEO and Head Trainer at Nixedonia – a business development company he established in 2015. He shares some of his insights on business development in the CEE legal world.





**CEELM:** To start, could you tell us a bit about Nixedonia and how it came about?

**McVeigh:** Back in 2008, when I was employed at DLA Piper, the economy was booming, and we consistently had a queue of clients at our door. We optimistically believed that this prosperous trend would last forever. However, with the onset of the financial crisis, the situation quickly changed – clients began looking for more affordable legal services, and many ceased coming to us at all. This left us with insufficient work for our lawyers. In response to this abrupt shift, I was asked by our Managing Partner to collaborate with other lawyers in our efforts to attract new business. My teaching diploma and MBA, in addition to my legal education, made me a nice fit for this task.

Perhaps unsurprisingly, lawyers were initially quite hesitant about the idea, but I began running a BD training, which involved straightforward steps with lawyers and their clients. It worked well, and I received a promotion to expand this role to more countries. I then discovered that common issues existed across different countries. Later on, I left DLA Piper and continued my work independently with over 500 law firms across Europe, Africa, and other markets, and even turned some of my materials into textbooks. During the pandemic (2020-2022), I worked in-house at Deloitte as the Business Development Manager for Central & Eastern

Europe. Since January 2023, I have been back at my own practice, primarily focusing on the CEE region, while being based in Prague.

**CEELM:** What were the main hurdles you had to overcome initially?

**McVeigh:** I believe the most significant hurdle was related to fear and conservatism, particularly within the legal profession. Many lawyers lack formal training in commercial skills, and they tend to avoid facing rejections and objections. Overcoming this fear and hesitancy was a significant barrier. However, once they discovered their internal motivation and understood how it was in their best interests, many could transform into rainmakers. When a lawyer realizes they possess particular knowledge, such as in pharmaceuticals or media, and they genuinely enjoy these areas, it's not challenging for them to become engaged and start contacting CEOs and other key decision-makers. I've found that industry-based motivations can be truly inspiring for some lawyers, while surprisingly, financial motivation often doesn't make a significant difference. Many lawyers still do, unfortunately, struggle with a sales phobia and that needs to be overcome.

**CEELM:** What have been some of the most effective BD strategies implemented in CEE?

**McVeigh:** In terms of BD in the region, there are various dynamics to consider, and strategies would depend on the local context. In countries like Poland, it's a highly competitive environment with firms operating at a more sophisticated level when it comes to presenting themselves and pitching their services. Here, cross-selling and up-selling become feasible strategies. On the other hand, the Baltic states are home to smaller law firms that are experimental and tech-focused, constantly trying new approaches. Many exciting developments are occurring there in niche areas such as AI, blockchain, and the overall technology sector.

In the Balkans and Central Europe, there are ample opportunities for improvement. This includes streamlining processes like document automation and enhancing client engagement (Draftomat being one of the best document automation tools I've come across in the region). Building relationships through activities like going to lunch with clients ("Tea for Two" – T42), targeted pitching, and understanding their needs is essential. Soft-pitching is a valuable but often underutilized technique.

Overall, active referrals, where clients introduce you to other

companies, at your request, can be highly profitable, especially in the CEE region. In the UK and Canada, cold calls and cold emails may sometimes work, but in CEE, personal recommendations from satisfied clients, especially those connected on platforms like LinkedIn, can be particularly effective.

*I believe the most significant hurdle was related to fear and conservatism, particularly within the legal profession. Many lawyers lack formal training in commercial skills, and they tend to avoid facing rejections and objections. Overcoming this fear and hesitancy was a significant barrier. However, once they discovered their internal motivation and understood how it was in their best interests, many could transform into rainmakers.*

**CEELM:** What is the main area you've noticed firms need to improve on in their BD?

**McVeigh:** I would emphasize the importance of being proactive rather than reactive in the legal profession. Most lawyers would agree that if the law has changed, it's our responsibility to communicate this change, allowing clients to avoid fines or other legal issues. I suggest taking it a step further. If we possess particular strengths, perhaps we can engage with a broader audience, including clients who may not currently work with us. This engagement can take the form of webinars, events, articles, or emails, depending on the country's rules regarding solicitation.

Moreover, there's an argument to be made for not waiting until the law changes to inform people. During the pandemic, for example, many e-commerce companies experienced rapid growth. However, some companies grew too quickly without addressing legal concerns. This is where something like a legal *E-Commerce Health Check* could be valuable. Lawyers can examine a company from a legal perspective, identify any problems, and proactively offer assistance, including in employment, disputes, GDPR and data protection, and even tax-related matters. This approach serves as an example of a proactive strategy, with a spontaneously generated legal product, even when the law remains unchanged. In the CEE region, this practice may be relatively uncommon, but there is a huge opportunity for improvement in such proactive product-based pitching.

**CEELM:** What is the main recurring challenge your clients mention in their BD efforts?

**McVeigh:** Managing partners and partners often grapple with

the challenge of changing pricing. In many cases, law firms lack "automatic increase" clauses, or even "time premium" clauses, and don't implement annual price raises. There are several reasons for this. Law firms are cautious about upsetting their clients as this could strain or even sever client relationships. However, it is possible to increase rates without alienating or losing clients. Failing to do so is unsustainable, and it's not merely a matter of marginal profitability. Clients often appreciate when a law firm offers premium and high-value services. If clients require a premium solution, they should expect to pay a premium price. For instance, in cases involving significant litigation or bankruptcy, price sensitivity shouldn't be overly high. Just as with a medical procedure, if you were to need an expert surgeon, you would understand that such expertise comes with a premium price tag and isn't a budget service.

**CEELM:** Being "client-focused" is certainly not a new concept for law firms – where do you think they tend to fall short of being such?

**McVeigh:** I believe there's a significant risk in assuming that everything is fine if the client is not complaining or asking questions. Instead, we should actively engage with the client, put ourselves in their shoes, and view their needs holistically. The client isn't solely concerned with tax law, or employment law – they care about their entire company from all legal perspectives. The notion of silently going about our practice can be detrimental – instead, it would be more beneficial to adopt a more integrated approach, always involving the client in discussions. Rather than only relying on a T42 approach, which may limit us to a single practice perspective, we might broaden this to aim for "Tea for Three" (T43), providing a more well-rounded perspective and approach to the client, together with another practice colleague (this would be soft cross-selling). Synergistic pitching of two or more practice areas bundled together often results in higher client engagement than sole practice pitching.

**CEELM:** Ultimately, what would be the main pieces of advice you'd give to any law firm in CEE to enhance its commercial success?

**McVeigh:** Quite simply, the needs of one law firm may differ from the needs of others. The best way to find the right approach, and to get some recommendations, is to simply reach out to me for a complimentary 30-minute discussion in-person, or via Teams, to explore various ideas and strategies. ■



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