



CEE

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LEGAL MATTERS

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



Across the Wire: Deals and Cases in CEE ■ On the Move: New Firms and Practices

The Buzz in CEE ■ Marketing Law Firm Marketing: The Reason for the Role ■ On the Road: How CEE Law Firms Structure Their BD

Trips to the United Kingdom ■ Foreign Focus: South Africa ■ The Foreign Investor: Interview with Hyprop CIO Wilhelm Nauta

Both Bobotie and Borsch: A South African in Kyiv ■ Expat on the Market Interviews ■ The Southern African Deal Landscape

South African Capital Continues to Court Central and Eastern Europe ■ Climate Change Increasingly Emerging as a Legal Liability Risk for

Lenders in South Africa ■ The Main Pull Factors for South African Investors in Central and Eastern Europe ■ South Africa/CEE Deal Review

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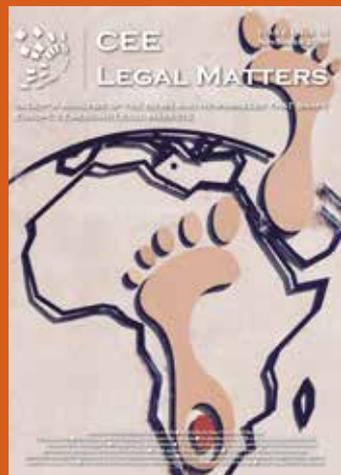
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CEE
LEGAL MATTERS

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

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EDITORIAL: FROM GETTYSBURG TO JOHANNESBURG



South Africa is rich. Not just in gold and diamonds – although God knows, in those too – but in *everything*. There is, in the country, a richness of cultural and ethnic diversity, of languages, of turbulent and joyous history. Of the largest and fiercest animals left on the planet. Of breathtaking sights and majestic tableaux. Of world class wines and remarkable cuisine. Of colors and tastes and sounds and smells and experiences and friendships. And, yes, also in gold and diamonds.

Its richness is significant, for South Africa is also, in a profound way, *us*. Indeed, aside from its diversity and complexity, South Africa contains some of the oldest archaeological and human-fossil sites in the world, including a series of caves in the country's north – a UNESCO World Heritage Site – that is branded as "the Cradle of Humankind." We *started* there. It's home.

That hasn't always been obvious. For a while, in fact, people believed that the United States was "us." Abraham Lincoln, in his annual address to the American Congress, in 1862, "the last best hope of earth," and less than a year later, in his Gettysburg Address, he declared that the nation had been "conceived in Liberty, and dedicated to the proposition that all men are created equal."

But I wonder whether, in fact, the *true* crucible of democracy, the *true* test of our ability to overcome our differences once and for all, came not in Gettysburg, Pennsylvania, in 1863, but is coming now, some 156 years later and 13,075 kilometers away, in Johannesburg. It is there that, following the end of Apartheid in 1994, the so-called Rainbow Nation was created, full of energy, excitement, and – we all thought at the time – deep significance. I fear that significance may be different than we hoped.

I am lucky enough to be good friends with a good South African woman – is there any other kind? – and one year, not too long ago, we traveled to her home country to spend Christmas and New Years with her family. I was

thus given the rare opportunity to see South Africa not only through the TV, and not simply as a tourist, but from the inside out. I loved it.

The energy in the country was remarkable, and unlike anything I had seen in the United States or Europe. I consider myself tremendously fortunate to have been shown this far-away world, at once remarkably familiar and immediately foreign. But I also experienced the crime, witnessed not only the constant sense of danger but also the way people have been forced to adapt themselves to it, and found my once-innocent enthusiasm for the Rainbow Nation curdling into something else.

I'm a positive person, and my introduction to South Africa was thrilling. Still, as I review the interviews and articles that appear in the Foreign Focus of this special issue of the CEE Legal Matters magazine, I find myself sensitive to the economic, cultural, and social concerns that drive many of the authors.

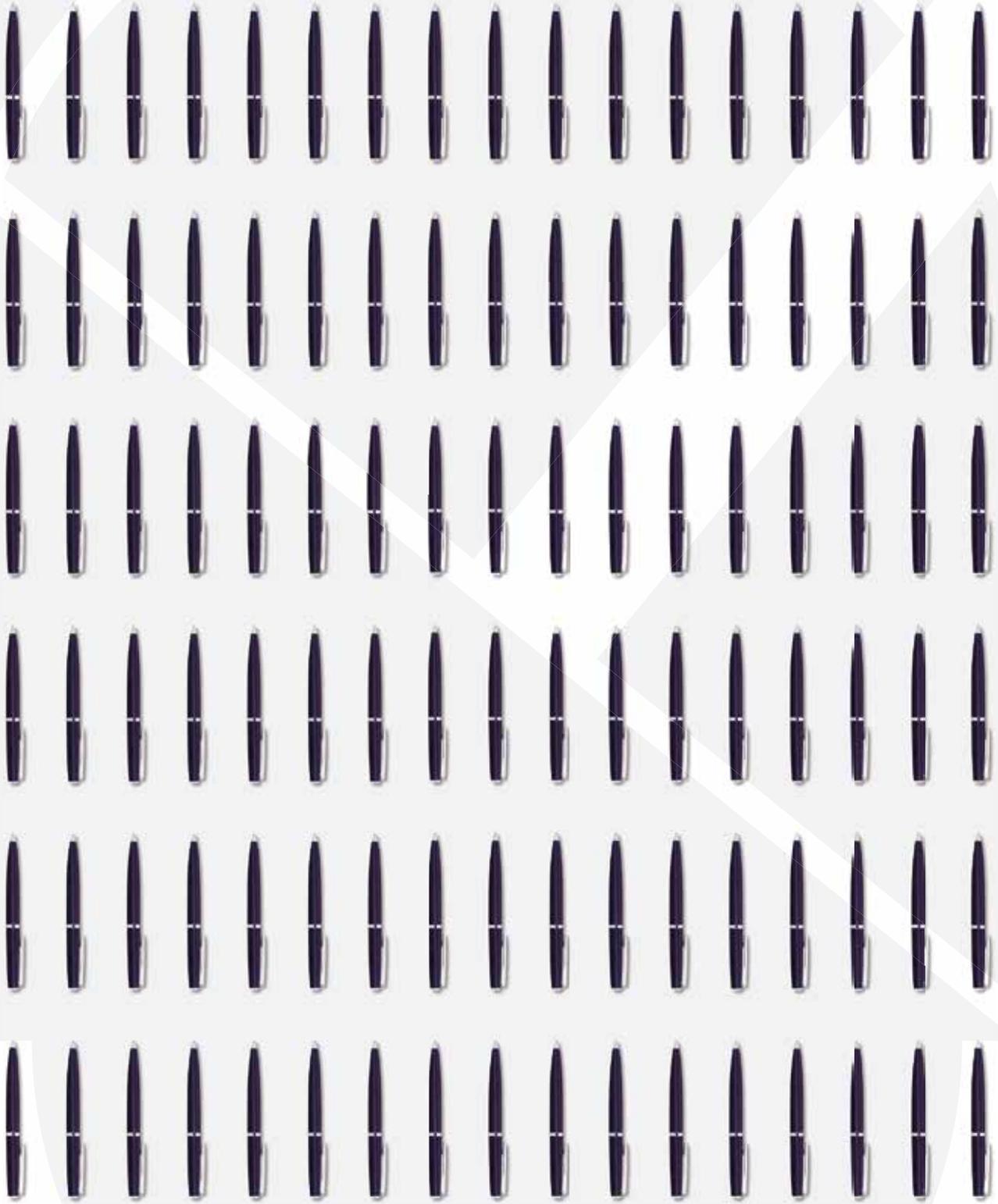
But perhaps that's ok. Perhaps South Africa *is* us, for good and for ill. Perhaps, like many teenagers, it's going through unhappy and turbulent times, trying to reach a level of accommodation, of calm, as it finds out who and what it's going to be. Perhaps, ultimately, people of different ethnicities, colors, and cultures *can* live together, the dwindling stocks of wild animals on the plains *can* be preserved, and everyone *can* be housed and fed. If South Africa can do it, everyone can.

After all, let's be honest. Europe is hardly the epitome of calm and rational self-government right now – nor has it ever been. Ironically, despite untold centuries of warfare – despite pogroms and inquisitions, defenestrations and assassinations, holocausts and crusades – Europe still considers itself the center of civilization.

Now *that's* rich.



David Stuckey



**We have
104 reasons
to think big**

*We are one of
the largest legal
teams in Ukraine.*

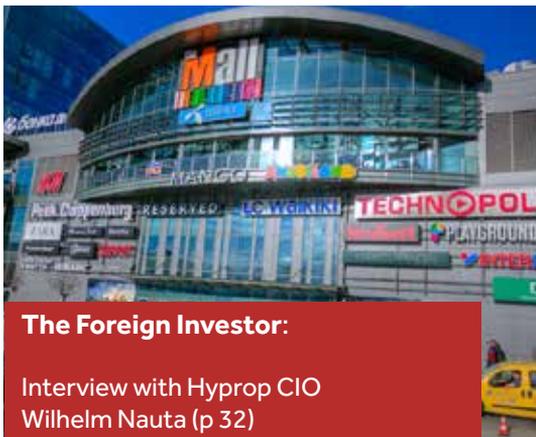
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ACROSS THE WIRE: FEATURED DEALS

Integrites Helps Turkish Investors Confront Raider Attack



Integrites successfully helped Turkish investors Lutfu Turkkan, Mujakhit Turkkan, and Ahmet Penich recover their 58% share in IK Aktiv LLC and confront what the firm called a “raider attack on the company by a Ukrainian partner.”

IK Aktiv LLC is the owner of the property on which the Kryvyi Rih oil extraction plant operates. Intrgrites describes the plant as “one of the leading players in the oil and fat market of Ukraine.”

According to Integrites, the Turkish investors “had been illegitimately excluded from the State Register of Legal Entities, Individual Entrepreneurs and Public Formations. At the same time, as a result of illegitimate changes made to the Register, the Ukrainian partner of the Turkish investors, Ruslan Yevstafyev, had appointed himself the director of the company.”

To protect their property rights, Integrites’ clients filed a complaint with the State Registration Complaints Commission at the Ministry of Justice of Ukraine.

Integrites reported that “the Ambassador Extraordinary and Plenipotentiary of Turkey to Ukraine Yagmur Ahmet Guldere, Ukrainian Chamber of Commerce and Industry and its President Gennadiy Chizhikov, the Ukrainian-Turkish Business Council headed by its Chairman Rasim Bekmezji, and the Union of Industrialists and Businessmen of Ukraine and Turkey publicly spoke in defense of the Turkish entrepreneurs. The case received widespread coverage in the Ukrainian media.”

Schoenherr Advises on Horizon Capital’s Exit from Purcari Winerie



Schoenherr has advised Horizon Capital on its sale and private placement of a 22.7% stake in Purcari Wineries Plc for EUR 19 million, carried out through an accelerated book building process addressed to investors worldwide.

Purcari Wineries is listed on the Bucharest Stock Exchange. The placement is made through the BSE section dedicated to public offers.

Horizon Capita; is a private equity firm and the management company of the Emerging Europe Growth Fund II L.P. The company has been a shareholder in Purcari since 2010 via EEGF II.

Purcari is a wine and brandy group in the CEE region that consists of the Purcari, Crama Ceptura, Bostavan, and Bardar brands. The group manages over 1,392 hectares of vineyards and operates four production platforms in Romania and Moldova. Founded in 1827, Purcari delivers to over 40 countries.

RTPR Allen & Overy advised Wood & Company Financial Services, a.s., the coordinator and book-runner, and joint book-runners Raiffeisen Centrobank AG and Raiffeisen Bank S.A.

Wolf Theiss Advises Berlin HYP on Loan to EPP and Henderson Park



Wolf Theiss has advised Berlin Hyp as the lender on a EUR 166 million loan to companies controlled by a joint venture between EPP and pan-European private equity real estate platform Henderson Park.

The loan was obtained in order to refinance office assets in three regional centers. The three office centers are Symetris Business Park in Lodz (with a gross lettable area of 19,000 square meters); the Malta Office Park, a six-building complex in Poznan covering 28,000 square meters; and the O3 Business Campus, a class-A complex of 38,000 square meters in Krakow. The loan will also finance the joint venture's buyout of Echo Investment's stake in O3.

"We are delighted to have advised Berlin Hyp on this very complex transaction and to work closely with EPP and Henderson Park on refinancing the existing indebtedness and on purchase of new items for their portfolio. I am convinced that with the growing Polish economy, such portfolio transactions on office buildings will soon become very common, and we are looking forward to participating in more of them."

– Przemek Kozdoj, Partner, Wolf Theiss

The Wolf Theiss team was led by Partners Przemek Kozdoj and Grzegorz Skowronski and Senior Associate Michal Kulig.

EPP and Henderson Park were advised by Linklaters and Dentons.



Karanovic & Partners Advises City of Belgrade and IFC on Financing for Waste-to-Energy PPP



Karanovic & Partners has advised the City of Belgrade and the IFC on financing for a waste management public-private partnership project in the Vinca district of Belgrade.

The project, which has a total investment size of approximately EUR 350 million, is designed to resolve the environmental hazard caused by one of the largest dumpsites in Europe. The Vinca landfill currently covers an area of 70 hectares, and, in its current state, it is believed to be a dangerous health hazard. The project involves the development of a new landfill, remediation and closure of the existing one, and construction and operation of the incineration plant and development of ancillary infrastructure.

"I would like to thank the team for their effort and our clients for putting their confidence in us. It feels great to be a part of such landmark project."

– Darko Jovanovic, Senior Partner,
Karanovic & Partners

The Karanovic & Partners team included Senior Partner Darko Jovanovic and Senior Associate Mina Sreckovic.

Baker McKenzie and Wolf Theiss advised the consortium of the French Suez Groupe and IEI, a member of the Itochu group, and their Serbian project vehicle Beo Cista Energija d.o.o., as the private partner in the PPP. BDK Advokati and Clifford Chance advised the EBRD, IFC, and the Development Bank of Austria on the financing. The City of Belgrade was also advised by Hogan Lovells.

karanovic/partners

ACROSS THE WIRE: DEALS SUMMARY

Date covered	Firms Involved	Deal/Litigation	Value	Country
16-Sep	DLA Piper	DLA Piper advised Lasker Cross-Media on the entrance of three unidentified new investors.	N/A	Austria
19-Sep	Weber & Co.; Wolf Theiss	Weber & Co. advised joint lead managers Erste Group Bank AG, HSBC France, ING Bank N.V., Landesbank Baden-Wuerttemberg, and Nykredit Bank A/S on the issue by Erste Group Bank AG of a EUR 500 million 0.010% Mortgage Pfandbriefe under the bank's Covered Bonds Programme. Wolf Theiss was issuers counsel.	EUR 500 million	Austria
19-Sep	Binder Groesswang; Davies Ward; Hengeler Mueller; Simpson Thacher & Bartlett	Binder Groesswang, working with Simpson Thacher & Bartlett in London and New York, Davies Ward Phillips & Vineberg in Toronto, Hengeler Mueller in Germany, and other European local counsel, advised funds managed by The Blackstone Group Inc. on their acquisition of Dream Global REIT, a Canadian real estate investment trust listed in Toronto and Frankfurt holding a pan-European real estate portfolio.	EUR 4.2 billion	Austria
24-Sep	Freshfields; White & Case; Wolf Theiss	Wolf Theiss advised Raiffeisen Bank International AG as issuer of EUR 500 million Tier 2 Notes and on a tender offer for the repurchase of EUR 500 million Subordinated Callable Fixed Rate Reset Notes due February 2025. Freshfields Bruckhaus Deringer Germany advised RBI in connection with the tender offer and White & Case Frankfurt advised joint lead managers RBI, BNP Paribas, Citi Bank, UBS, and Bank of America Merrill Lynch.	EUR 500 million	Austria
27-Sep	Dorda	Dorda advised Denmark's Too Good To Go tech start-up on the launch of operations in Austria.	N/A	Austria
30-Sep	Baker Mckenzie; Brandt & Talos; Herbst Kinsky	Brandt & Talos advised an investor consortium of Farallon Capital, Adjuvant Capital, Global Health Investment Fund, Hadean Ventures, Omnes Capital, Ventech, Wellington Partners Life Sciences, and High-Tech Grunderfonds on Themis Bioscience's EUR 40 million Series D financing round. Herbst Kinsky advised Themis Bioscience, and Baker McKenzie advised another investor, MSD.	EUR 40 million	Austria
7-Oct	Clifford Chance; Wolf Theiss	Wolf Theiss advised DekaBank, DZ Bank AG, Erste Group, LBBW, UniCredit Bank, and Hypo Noe as managers on Hypo Noe's successful EUR 500 million public-sector Pfandbriefe benchmark issue. Clifford Chance advised the banks on German law aspects.	EUR 500 million	Austria
9-Oct	CMS; Eisenberger & Herzog	Eisenberger & Herzog advised Allianz Capital Partners on the acquisition of a 75% stake in Niederosterreichische Glasfaserinfrastruktur from Breitband Holding, controlled by the Province of Lower Austria. CMS advised NoGIG on the deal.	EUR 300 million	Austria
14-Oct	Cerha Hempel; Grama Schwaighofer Vondrak Rechtsanwalte	Cerha Hempel advised Aberdeen Standard Investments Deutschland AG on its acquisition of the Franz Joseph residential development project from Innsbrucker Projektgemeinschaft Moser Wohnbau & Immobilien GmbH and Bauwerk Wohnraum GmbH. Grama Schwaighofer Vondrak Rechtsanwalte advised the sellers on the deal.	N/A	Austria
15-Oct	White & Case; Wolf Theiss	Wolf Theiss advised Raiffeisen Bank International AG on the issue and listing of a EUR 750 million Green Bond. White & Case advised a syndicate consisting of Barclays Bank Ireland PLC, Credit Agricole Corporate and Investment Bank, Raiffeisen Bank International AG, Societe Generale, and UniCredit Bank AG on the issuance.	EUR 750 million	Austria

Date covered	Firms Involved	Deal/Litigation	Value	Country
10-Oct	CMS; FCG-Partners	CMS advised Constantia Flexibles on its acquisition of Russian TT-print. FCG-Partners advised the sellers on the deal.	N/A	Austria; Russia; Ukraine
27-Sep	Sorainen	Sorainen assisted Shaanxi Fast Gear in its entrance into a joint venture with Minsk Automobile Plant MAZ, the Belarusian state-owned manufacturer of trucks.	N/A	Belarus
30-Sep	Aleinikov & Partners	Aleinikov & Partners advised the Development Bank of the Republic of Belarus on venture financing issues related to the Enhancing Access to Financing of Micro, Small and Medium Enterprises in the Republic of Belarus project implemented with the International Bank for Reconstruction and Development.	N/A	Belarus
17-Sep	CMS	CMS Sofia advised Global Biomet on the acquisition of the Resen photovoltaic project, with installed capacity of 5 MW, from Austria's Novasolar GmbH.	EUR 10 million	Bulgaria
19-Sep	CMS	CMS Sofia advised Bulgaria's Argos Energy Ltd on the completion of the first renewable energy project in Bulgaria created without any subsidy or feed-in tariff.	N/A	Bulgaria
25-Sep	Dimitrov Petrov & Co.; Krusteva & Ganeva	Dimitrov, Petrov & Co. advised Bulgarian entrepreneur Dilyan Pavlov on an unspecified equity investment in Sofia's Park Lane Office Center. Krusteva & Ganeva advised the sellers.	N/A	Bulgaria
7-Oct	Djingov, Gouginski, Kyutchukov & Velichkov; Hristov Partners	Hristov Partners advised Elit Car and its founders on the parallel acquisition of Auto Kelly Bulgaria Ltd. and the sale of 20% of Elit Car's share capital to Auto Kelly a.s., an affiliate of LKQ Corporation. Djingov, Gouginski, Kyutchukov & Velichkov advised Auto Kelly.	N/A	Bulgaria
10-Oct	Tsvetkova Bebov Komarevski	Tsvetkova Bebov Komarevski advised Bombardier Transportation Italy on its entrance into a public procurement contract with Bulgaria's state-owned National Railway Infrastructure Company.	EUR 94.6 million	Bulgaria
15-Oct	CMS	CMS assisted Corinth Pipeworks S.A., a Greek producer of gas pipeline equipment, on its successful preparation, bid, and signing of a multi-million pipe delivery agreement with ICGB, the project company developing the Natural Gas Interconnector Greece-Bulgaria.	N/A	Bulgaria
17-Sep	BDK Advokati; Mamic Peric Reberski Rimac	BDK Advokati advised the United Kingdom's Convex Holding on the sale of 51% of its shares in Trizma d.o.o. to Croatia's Meritus Upravljanje d.o.o. MPRR advised the buyers on the deal.	N/A	Croatia
27-Sep	Allen & Overy	Allen & Overy Prague advised joint lead managers J&T Banka, Ceska Sporitelna, Komerční Banka, and UniCredit Bank Czech Republic and Slovakia, and J&T IB and Capital Markets as arrangers, on the Sazka Group's CZK 6 billion bond issuance.	CZK 6 billion	Czech Republic
27-Sep	Rowan Legal; Schoenherr	Schoenherr Prague advised Spanish manufacturer Torrot Electric Europa, S.A. on the "delivery of technology solutions" for scooter sharing to Skoda Auto DigiLab s.r.o. Rowan Legal advised Skoda Auto DigiLab on the deal.	N/A	Czech Republic
27-Sep	Kocian Solc Balastik	Kocian Solc Balastik advised PepsiCo CZ on the sale of its Toma bottled water business to Coca-Cola HBC Cesko a Slovensko.	N/A	Czech Republic
27-Sep	Kocian Solc Balastik	Kocian Solc Balastik advised the Corinthia Palace Hotel Company Limited on the sale of its Panorama Hotel Prague and adjoining land and property to the Austrian developer S + B Gruppe.	N/A	Czech Republic
7-Oct	Clifford Chance; Eversheds Sutherland	Clifford Chance advised investment group KKCG on the sale of its CK Fischer travel agency in the Czech Republic to German group REWE. Eversheds Sutherland advised the REWE Group on the deal.	N/A	Czech Republic
9-Oct	Allen & Overy	Allen & Overy advised sole lead manager J.P. Morgan on the approximately CZK 2 billion domestic subordinated Tier 2 capital bond issue by Moneta MonEY Bank.	CZK 2 billion	Czech Republic
10-Oct	Kinstellar; Svoboda & Kucera	Kinstellar advised Ceskomoravska Nemovitostni a.s. on its acquisition of the Blox office building in Prague from the CFH Group. The seller was advised by Svoboda & Kucera.	CZK 2 billion	Czech Republic
10-Oct	Kinstellar; White & Case	Kinstellar advised Warburg-HIH Invest on its acquisition of the River Garden I office building in Prague from LaSalle Investment Management. White & Case advised the sellers on the deal.	N/A	Czech Republic
10-Oct	ODI Law; Schoenherr	ODI Law in Slovenia and the LTA Legal Tax Audit in the Czech Republic advised the Czech Ministry of Finance and IMOB and PRISKO, the Ministry's two state-owned subsidiaries, on the sale of a majority stake in VIPAP VIDEM KRŠKO, the largest paper mill in Slovenia, as well as on the sale of claims against it, to Czech-based RIDG Holding. RIDG was advised by Schoenherr.	N/A	Czech Republic; Slovenia
25-Sep	Cobalt	Cobalt helped inHouse Pay AS obtain an e-money institution license from the Estonian Financial Supervision Authority to issue electronic money and provide various payment services.	N/A	Estonia

Date covered	Firms Involved	Deal/Litigation	Value	Country
30-Sep	Aavik & Partnerid; Ellex (Raidla)	Ellex Raidla advised OilTanking GmbH on its sale of the OilTanking Tallinn terminal to Aqua Marina AS, the holding company of the Olerex Group. Aavik & Partnerid advised Olerex on the acquisition.	N/A	Estonia
1-Oct	Pohla & Hallmagi	Pohla & Hallmagi successfully represented Scania Eesti AS in a dispute against Tallinna Linnatranspordi AS, the Tallinn city transportation company.	N/A	Estonia
1-Oct	Fort Legal	Fort advised the private shareholders of Digital Future on the sale of the group to Estonia-based investment company UP Invest.	N/A	Estonia
11-Oct	Sorainen	Sorainen successfully represented Krassik OU and other fuel trading sector companies from the Daxin Group in legal proceedings before the Supreme Court of Estonia related to a purported abuse of position by Krassik's previous management board.	N/A	Estonia
11-Oct	Ellex (Raidla)	Ellex Raidla advised 3i Infrastructure plc on its EUR 220 million acquisition of Ionisos from Ardian Expansion.	EUR 220 million	Estonia
15-Oct	Ellex (Raidla)	Ellex Raidla advised the Estonian Lottery on its agreement with the Quality Group Lottery Solutions GmbH for system upgrades.	EUR 1.92 million	Estonia
27-Sep	Sorainen	Sorainen advised Autolux on the takeover of operations and exclusive administration of the Hertz franchise in Estonia, Latvia, and Lithuania.	N/A	Estonia; Latvia; Lithuania
26-Sep	Cobalt; Ellex (Raidla); Ellex (Valiunas)	Cobalt advised Silberauto on the sale of its enterprises in Estonia and Lithuania to Scandinavian vehicle dealer Veho. Ellex advised Veho on the deal.	N/A	Estonia; Lithuania
25-Sep	Bahr; Wikborg Rein; Zepos & Yannopoulos	Zepos & Yannopoulos advised both the buyer and the seller on Greek aspects of the acquisition by MacGregor, a subsidiary of Cargotec Oyj, of the marine and offshore businesses of TTS Group ASA. Norway's Wikborg Rein law firm advised TTS Group ASA and Norway's Bahr law firm advised Cargotec's MacGregor.	EUR 87 million	Greece
17-Sep	CMS; HBK Partners	CMS Hungary advised Balbec Capital and Momentum Credit Zrt, a Hungarian joint venture owned by Balbec Capital and the APS Group, on the purchase of MKB Bank Nyrt's non-performing retail mortgage loan portfolio. MKB Bank was advised by HBK Partners on the transaction.	EUR 75 million	Hungary
18-Sep	CMS; Jaloszsky	The Jalsovszky law firm advised Hungarian-based integrated business management and administration software distributor Libra Szoftver Zrt. on its take-over of VT-Soft Kft. from Unit4 Software NV. CMS Budapest advised the sellers on the deal.	N/A	Hungary
20-Sep	BLS; CMS	CMS Hungary advised OTP Bank Plc. in its capacity as arranger of Pannonia Bio's issuance of the first Hungarian forint bond in line with the Bond Funding for Growth Scheme announced by the Central Bank of Hungary. BLS represented Pannonia Bio.	N/A	Hungary
26-Sep	EY Law; Jaloszsky	EY Law advised Austria's List Group on the sale of the Deli Point Office Building in the 12th District of Budapest to Central European Ingatlanalap, a legal entity belonging to the Idotek-Group. The Jalsovszky Law Firm advised the buyers.	N/A	Hungary
26-Sep	CMS	CMS Budapest advised the Bank of China on raising the credit line of Hungary's MVM power company from EUR 250 million to EUR 350 million and extending it by two years, until 2026.	from EUR 250 million to EUR 350 million	Hungary
30-Sep	DRD Ugyvedi Tarsulas; Lakatos, Koves And Partners	Lakatos Koves & Partners advised Munich-based GLL, part of the Macquarie Group, on the sale of the Roosevelt Office Center on Szechenyi Square in Budapest to the OTP Real Estate Fund. The buyers were advised by DRD Ugyvedi Tarsulas.	N/A	Hungary
30-Sep	TGS Baltic	TGS Baltic advised Latvian board games company SIA Brain Games on its acquisition of Lithuanian board game and toys wholesaler and retailer UAB New Media Publishing.	N/A	Latvia
9-Oct	Fort; Sorainen	Sorainen Latvia advised Rpax One on the sale of Baltcom to mobile communications operator Bite Latvija for an undisclosed sum. Fort Legal advised Bite on the transaction.	N/A	Latvia
10-Oct	Ellex (Klavins); Fort Legal	Ellex Klavins advised Eastnine AB on its acquisition of the Valdemara Centrso office property in Riga from Capital Mill. Fort Legal advised the seller on the deal.	EUR 25 million	Latvia
16-Sep	Glimstedt	Glimstedt assisted an unnamed private investor and the KUB Business Angels Fund II, managed by UAB Business Angels Fund Management UAB, on their investment of approximately EUR 1 million into optical coating company UAB Optonas. Legitus advised Optonas on the deal.	EUR 1 million	Lithuania
24-Sep	Sorainen	Sorainen successfully persuaded the Lithuanian Court of Appeals to uphold the dismissal of an action for damages brought by a customer and the customer's insurers against international packaging systems producer Sloodweg Machinefabriek.	N/A	Lithuania

Date covered	Firms Involved	Deal/Litigation	Value	Country
25-Sep	Sorainen	Sorainen successfully defended the interests of Ekonovus in a lawsuit brought by utility company VSA Vilnius, which was seeking to suspend the implementation of a EUR 16.3 million contract for waste transportation in the Vilnius city center.	EUR 16.3 million	Lithuania
27-Sep	TGS Baltic	TGS Baltic advised Klaipėdos Nafta on negotiations with the Ministry of Energy of the Republic of Lithuania and the European Commission to change the financing mechanism for the Klaipėda Liquid Natural Gas terminal in Lithuania.	N/A	Lithuania
1-Oct	Sorainen	Sorainen advised Lords LB Baltic Fund IV on its lease of space in the renovated G9 shopping center in Vilnius to Swedish clothes retail giant H&M, which used the space to house its COS premium segment brand store – the first COS store in Lithuania.	N/A	Lithuania
9-Oct	Sorainen	Sorainen, representing Klaipėdos Administratoriai, has persuaded the Lithuanian Court of Appeal to rule that a minor creditor cannot initiate the removal of a bankruptcy administrator.	N/A	Lithuania
10-Oct	CMS; Ellex (Valiunas)	Ellex Valiunas and CMS advised German private equity firm Halder on its acquisition of Drumag Fluidtechnik and EPH Elektronik from Ulrich Ziegler.	N/A	Lithuania
10-Oct	Walless	Walless represented the Kaunas City Municipality in the European Court of Justice in a case involving the compatibility of additional requirements for contracts stipulated in Lithuanian national law with EU law.	N/A	Lithuania
11-Oct	Ellex (Valiunas)	Ellex Valiunas helped US medical equipment manufacturer Hollister Incorporated open a factory in the Kaunas Free Economic Zone in Lithuania.	USD 50 million	Lithuania
14-Oct	Marger; Primus Derling	Primus Derling in Lithuania advised JNG Investments Estonia on the acquisition by its VIA 3L subsidiary of fellow third party logistics company Terminal LT from GIRTEKA. The sellers were advised by the Marger Law Firm.	N/A	Lithuania
9-Oct	Karanovic & Partners; Motieka & Audzevicius	Motieka & Audzevicius advised Petstart UAB on its exit from a joint venture with Romania's PET packaging waste company. The unidentified buyer was advised by Karanovic & Partners.	N/A	Lithuania; North Macedonia; Serbia
17-Sep	Act Legal (BSWW); Greenberg Traurig	Greenberg Traurig advised Credit Suisse Asset Management Global Real Estate on the acquisition of the Astoria Premium Offices in Warsaw from Strabag, and on the financing of the acquisition. Act BSWW advised Strabag on the deal.	N/A	Poland
17-Sep	Eversheds Sutherland; Porebski i Wspolnicy	Wierzbowski Eversheds Sutherland advised EEC Magenta on its investment in the TakeTask platform. The Porebski i Wspolnicy law firm advised TakeTask on the series A financing round.	N/A	Poland
17-Sep	White & Case	White & Case Warsaw advised Kenbourne Invest S.A. on the accelerated book-building process announced by Kenbourne Invest and Tollerton Investments Ltd. for the sale of shares in Play Communications S.A.	N/A	Poland
26-Sep	Baker McKenzie; Dentons; Greenberg Traurig	Dentons Warsaw advised Skanska on the sale of two buildings in the HighFive office complex in Krakow and the Nowy Targ office building in Wroclaw to a fund managed by Credit Suisse Asset Management Global Real Estate. Baker McKenzie advised Skanska on tax matters, and Greenberg Traurig advised Credit Suisse.	EUR 214 million	Poland
26-Sep	Mrowiec Fialek & Partners	Mrowiec Fialek and Partners advised Ceramika Nowa Gala S.A. on an unspecified investment agreement with Cerrad sp. z o.o.	N/A	Poland
27-Sep	Kochanski & Partners	Kochanski & Partners advised Ringier Axel Springer Polska throughout RUCH S.A.'s restructuring, including in proceedings before the Restructuring Court and at meetings of the Creditors' Committee.	N/A	Poland
30-Sep	Act Legal (BSWW)	Act Legal Poland advised Finland's YIT Development on the purchase of a land lot in Gdansk.	N/A	Poland
30-Sep	Act Legal (BSWW)	Act Legal Poland advised Moderna Holding sp. z o.o. on its acquisition of 100% shares in Przedsiębiorstwo Budowlane Kokoszki S.A., a Gdansk-based developer company.	N/A	Poland
9-Oct	SSW Pragmatic Solutions	SSW Pragmatic Solutions acted as legal advisor to WDB Brokerzy Ubezpieczeniowi on its delisting from NewConnect. Prior to delisting, the company's key shareholders performed a squeeze-out of minority shareholders.	N/A	Poland
9-Oct	BCLA; SSW Pragmatic Solutions	SSW Pragmatic Solutions advised the CC83 Closed Investment Fund of Private Assets on the acquisition of an office building in Warsaw from the Griffin Real Estate Group. The BCLA law firm advised the Griffin Real Estate Group on the deal.	N/A	Poland
9-Oct	Magnusson; Wardynski & Partners	Magnusson advised Vastint Poland on the sale of the first stage of the Business Garden Poznan office buildings to Singapore's Cromwell European REIT fund. Wardynski & Partners advised Cromwell European on the deal.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
10-Oct	SSW Pragmatic Solutions	SSW Pragmatic Solutions successfully represented the owners of the Polish franchisee of Subway International B.V., in arbitration against Subway under the UNCITRAL Arbitration Rules administered by the International Centre for Dispute Resolution and American Arbitration Association in New York.	N/A	Poland
10-Oct	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised Klabater S.A. on the introduction of its shares to the alternative trading system of the WSE's NewConnect market.	N/A	Poland
10-Oct	Dentons; Linklaters; Wolf Theiss	Wolf Theiss advised Berlin Hyp as the lender on a EUR 166 million loan to companies controlled by a joint venture between EPP and pan-European private equity real estate platform Henderson Park. EPP and Henderson Park were advised by Linklaters and Dentons.	EUR 166 million	Poland
10-Oct	CMS; Weil, Gotshal & Manges	Solivan advised ReneSola on its sale of 55 MW Polish solar farms with an aggregate capacity of 54.6 megawatts to Aberdeen Standard Investment. Weil, Gotshal & Manges advised Aberdeen Standard Investment on the acquisition.	N/A	Poland
15-Oct	Dentons; Linklaters	Linklaters is advising Hines European Value Fund, acting through its subsidiary Gisla, on the acquisition of the Wola Center office building in Warsaw from Develia.	EUR 101.9 million	Poland
15-Oct	Soltysinski Kawecki & Szlezak	Soltysinski Kawecki & Szlezak advised Portuguese Private Investment Ltd. in a Series B investment in Warsaw-based Tylko.	N/A	Poland
19-Sep	Anderson Tax & Legal; DLA Piper; Nestor Nestor Diculescu Kingston Petersen	DLA Piper assisted Norwegian aluminum group Norsk Hydro ASA with the divestment of its Romanian extrusion plant, Hydro Extrusion SRL, to Hammerer Aluminium Industries GmbH. NNDKP in Romania and Andersen Tax & Legal in Germany advised Hamerrer Aluminium on the deal.	N/A	Romania
19-Sep	Reff & Associates; Wolf Theiss	Wolf Theiss Bucharest advised Ingka Investments on its acquisition of an 80% shareholding in seven companies owning wind power plants with an aggregate installed capacity of 171MW from Vestas Wind Systems A/S, which retains the remaining 20% shareholding. Reff & Associates advised Vestas on the transaction.	N/A	Romania
24-Sep	Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen assisted Grab with Romanian law aspects of its strategic partnership with Telenav, Inc., a provider of connected-car and location-based services.	N/A	Romania
26-Sep	Bondoc Si Asociatii	Bondoc Si Asociatii advised eMAG on its acquisition of 54% of shares in online food delivery platform EuCeMananc in Romania.	N/A	Romania
27-Sep	Biris Goran; Clifford Chance; Tuca Zbarcea & Asociatii	Clifford Chance Badea advised French investment fund AEW on the sale of the America House office building in Bucharest to the real estate investment division of Morgan Stanley and a group of Israeli investors represented by David Hay, and the Promenada Mall Targu Mures to Hungary's Indotek Group. Tuca Zbarcea & Asociatii advised the buyers on the first deal and Biris Goran advised the buyers on the second.	N/A	Romania
27-Sep	EY Law; Radu Si Asociatii; Schoenherr	Schoenherr Bucharest advised Greenbridge Partners on its acquisition of a 75% stake in Rus Savitar and its retail arm Casa Rusu from the Rusu family. Radu si Asociatii SPRL, the Romanian member firm of Ernst & Young Global, advised the Rusu family on the sale.	N/A	Romania
30-Sep	Pavel Margarit & Associates	Pavel, Margarit & Associates advised perpetoo.com, the first peer to peer car-sharing platform in Romania, on its commencement of business activities.	N/A	Romania
4-Oct	CMS	CMS advised CEE Equity Partners, the Investment Advisor to the China CEE Investment Co-operation Fund II, on its majority acquisition of Farmavet-Pasteur Group, including its Pasteur Filiala Filipesti and Farmavet businesses and the animal food/fodder production business of FNC Nutritie Pietroiu.	N/A	Romania
4-Oct	CEE Attorneys; DLA Piper	CEE Attorneys/Boanta, Gidei si Asociatii advised Bunnysell, a Romanian startup that develops technologies for cloud infrastructure management, on its receipt of EUR 750,000 funding from the Early Game Ventures investment fund and a business angel. Early Game Ventures Fund was advised by DLA Piper.	EUR 750,000	Romania
9-Oct	RTPR Allen & Overy; Schoenherr	Schoenherr advised Horizon Capital on its sale and private placement of a 22.7% stake in Purcari Wineries Plc, carried out through an accelerated book building process addressed to investors worldwide. RTPR Allen & Overy advised Wood & Company Financial Services, a.s., the coordinator and book-runner, and joint book-runners Raiffeisen Centrobank AG and Raiffeisen Bank S.A.	EUR 19 million	Romania
9-Oct	Popovici Nitu Stoica & Asociatii	Popovici Nitu Stoica & Asociatii advised the owners of PlantExtrakt, a Romanian producer of medical and para-medical products, on the company's sale to Europlant Group, a wholly-owned subsidiary of Germany's Martin Bauer.	N/A	Romania

Date covered	Firms Involved	Deal/Litigation	Value	Country
10-Oct	Bondoc Si Asociatii	Bondoc Si Asociatii advised eMag on the creation of a European online interface that connects participating marketplaces.	N/A	Romania
17-Sep	Bryan Cave Leighton Paisner	Bryan Cave Leighton Paisner Russia advised Joom SIA on its acquisition of a 10% stake in on-line shopping platform iGoods.	N/A	Russia
17-Sep	Baker McKenzie; Clifford Chance	Clifford Chance advised the Baikal Mining Company on an agreement with Renaissance Heavy Industries for the construction of the Udokan Mining and Metallurgical Plant. Baker McKenzie advised Renaissance on the deal.	EUR 380 million	Russia
19-Sep	Clifford Chance	Clifford Chance advised GTLK Global Business, Russia's largest leasing company, in connection with the ten-year lease of two coastal passenger vessels to Havila Kystruten AS, a Norwegian cruise operator.	N/A	Russia
30-Sep	Clifford Chance	Clifford Chance Moscow advised Societe Generale on a bilateral sustainability-linked credit facility of up to USD 75 million for Polymetal.	USD 75 million	Russia
4-Oct	CMS	CMS Russia advised Bazil-Activ LLC on the sale of a development project in Moscow to the Osnova Group.	RUB 2 billion	Russia
7-Oct	Herbert Smith Freehills	Herbert Smith Freehills advised BidFair USA regarding the merger control aspects of its acquisition of international auction house Sotheby's.	USD 3.7 billion	Russia
9-Oct	CMS	CMS advised Bazil-Activ LLC, a subsidiary of a Russian commercial bank, on its sale of the 60,000 square meter MainStreet Residential Complex Construction project in Moscow to the Osnova Group.	EUR 28.2 million	Russia
14-Oct	Bryan Cave Leighton Paisner	Bryan Cave Leighton Paisner Russia advised Mistral Wine on its acquisition of 200 hectares of vineyards and a winery in Russia's Krasnodar Krai.	N/A	Russia
15-Oct	Egorov Puginsky Afanasiev & Partners	Egorov Puginsky Afanasiev & Partners helped the Aqua Investments Group and Kavminkurortresursy JSC establish their exclusive geographical indication rights to the Yessentuki N4 and Yessentuki N17 healing diets and mineralized healing water brands.	N/A	Russia
24-Sep	JPM Jankovic Popovic Mitic	JPM is assisting Serbia's Institute for Molecular Genetics and Genetics Engineering with its implementation of the Balkan Genome Project.	N/A	Serbia
4-Oct	Bojanovic & Partners	Bojanovic & Partners helped GTT Communications obtain a license to perform electronic communications activities in the area of public communications networks and Internet services from the regulatory telecommunications agency of Serbia.	N/A	Serbia
7-Oct	Bojanovic & Partners; DLA Piper	Bojanovic & Partners and DLA Piper advised Barry-Wehmiller on the acquisition of 60% of the shares in Serbia's STAX Technologies.	N/A	Serbia
10-Oct	Baker McKenzie; BDK Advokati; Clifford Chance; Hogan Lovells; Karanovic & Partners; Wolf Theiss	BDK Advokati and Clifford Chance advised the EBRD, IFC, and the Development Bank of Austria on financing for a waste management public-private partnership project in the Vinca district of Belgrade. Baker McKenzie and Wolf Theiss advised the financial institutions as well. The City of Belgrade was advised by Hogan Lovells and Karanovic & Partners, with Karanovic & Partners also advising the IFC.	EUR 350 million	Serbia
26-Sep	Rojs, Peljhan, Prelesnik & Partners; Schoenherr	Schoenherr Ljubljana advised Immofinanz AG on its purchase of a real estate portfolio consisting of five shopping centers from Centrice Real Estate, which was advised by Rojs, Peljhan, Prelesnik & Partners.	N/A	Slovenia
19-Sep	Integrites	Integrites successfully represented the interests of Ukrainian state enterprise Ukrkhimtransamiak, an ammonia pipeline operator, in arbitration proceedings against Russian chemical giant Togliattiazot worth over USD 190 million.	USD 190 million	Ukraine
1-Oct	Sayenko Kharenko	Sayenko Kharenko advised joint lead managers JP Morgan and Dragon Capital on a USD 500 million Eurobond issue by Ukrainian Railways.	USD 500 million	Ukraine
1-Oct	Kinstellar	Kinstellar advised FMS-Wertmanagement AoR, a German federal institution established to wind up the risk positions of Hypo Real Estate Holding, on the sale of debt owed by a shopping mall in downtown Kyiv under a USD 140 million credit facility agreement.	USD 140 million	Ukraine
9-Oct	Everlegal	Everlegal advised real estate developer UDP Renewables on the implementation of the Port-Solar SES project in the Odessa region of Ukraine.	N/A	Ukraine
9-Oct	Integrites	Integrites successfully helped Turkish investors Lutfu Turkkan, Mujakhit Turkkan, and Ahmet Penich recover their 58% share in IK Aktiv LLC and confront what the firm called a "raider attack on the company by a Ukrainian partner."	N/A	Ukraine
15-Oct	Integrites	Integrites successfully defended the interests of corrugated packaging manufacturer Dunapack in Ukraine's Fifth Administrative Court of Appeal in Odessa.	UAH 16 million	Ukraine

Full information available at: www.ceelegalmatters.com

Period Covered: September 15, 2019 - October 15, 2019

ON THE MOVE: NEW HOMES AND FRIENDS



Nazar Kulchytskyy Law Firm Merges with Vasil Kisl & Partners in Ukraine



Vasil Kisl & Partners has merged with the lawyers and attorneys of the Nazar Kulchytskyy & Partners Law Firm. According to VKP, “Nazar Kulchytskyy will run such practice areas as White Collar Crimes, European Court of Human Rights Case Law, and Personal Data Protection.”

Nazar Kulchytskyy headed his eponymous law firm since 2013, after spending the previous year as the Government Agent of Ukraine before the European Court of Human Rights, representing Ukraine. According to VKP, “while holding this office, he prepared the position of the Government in more than 500 cases before the European Court of Human

Rights, in particular, represented Ukraine at oral hearings on *Lutsenko v. Ukraine*, *Tymoshenko v. Ukraine* and *Oleksandr Volkov v. Ukraine*.” From 2007 to 2012, Nazar was the Head of the Office of the Government Agent of Ukraine for the European Court of Human Rights.

Joining Kulchytskyy at Vasil Kisl & Partners from the Nazar Kulchytskyy & Partners Law Firm are lawyers Andriana Kulchytska, Markiyana Bem, Anastasiia Nekrasova, Oksana Kravchenko, and Marko Holovach.

“We are happy to welcome a new partner, Nazar Kulchytskyy, and his team,” commented Vasil Kisl & Partners Managing Partner Andriy Stelmashchuk. “Nazar’s professional experience will give a new stimulus for the growth of European Court of Human Rights case law and personal data protection practices and enable us to raise the bar even higher in terms of the service quality we deliver.”

“We appreciate high standards, impeccable reputation and 27-year history of Vasil Kisl & Partners,” said Kulchytskyy, of the move. “I am sure that the synergy of our knowledge, practices and expertise will bring success for legal protection of clients.”

By David Stuckey

Wolf Theiss Expands in Prague



Kamila Seberova, Radka Nenickova, and Tereza Naucova have joined Wolf Theiss in Prague as Counsels, Dita Sulcova has joined as Tax Consultant, and Filip Michalec has joined as Senior Associate.

“Less than a year ago we announced that our Prague team would shortly double or triple in numbers,” said Managing Partner Jitka Logesova. “You can now see that happening and our expansion won’t stop there.”

Seberova spent the past eight and a half years at the Rada & Partner law firm, which she co-founded in 2011. Before that she spent over ten years with Norton Rose in Prague and a year and a half with the Czech Patent Office. “For several years Kamila Seberova has advised key players in this industry on regulatory matters with a focus on intellectual property and unfair competition,” Logesova said. “She arrives with an excellent reputation and a proven track record, as evidenced, among other things, by her selection as advisor by the Czech Association of Pharmaceutical Companies.”

Radka Nenickova will head Wolf Theiss’s Czech Real Estate practice. Before joining Wolf Theiss she held senior positions at two international law firms, and most recently worked at what Wolf Theiss describes as “a major real estate developer.” According to Robert Pelikan, Head of Wolf Theiss’s Czech Dispute Resolution and Competition practices, “in addition to her legal skills, Radka has tremendous market knowledge and a firm grasp of the real estate environment. This provides us with significant added value. Furthermore, she understands exceptionally well the practical aspects of our clients’ projects. It is this sector specialization that is particularly valued by our clients.”

Tereza Naucova joins Wolf Theiss’s Corporate/M&A team after spending more than ten years at Kinstellar and legacy Linklaters.

Filip Michalec spent the past two and a half years at Dentons. According to Wolf Theiss, “in addition to focusing on capital markets, regulatory compliance, and anti-money laundering, Filip is also engaged in the area of innovative financial services.”

By David Stuckey

Departure of Lucian Danilescu Leads to Name Change at Mares & Mares



Partner Lucian Danilescu has left Romania’s Mares Danilescu Mares law firm, which has, as a result, changed its name to Mares & Mares.

Danilescu was one of the founding partners of Mares Danilescu Mares. He has over 19 years of experience and specializes in mergers & acquisitions and commercial corporate law. According to Mares & Mares, on October 1, 2019, he started his own law firm.

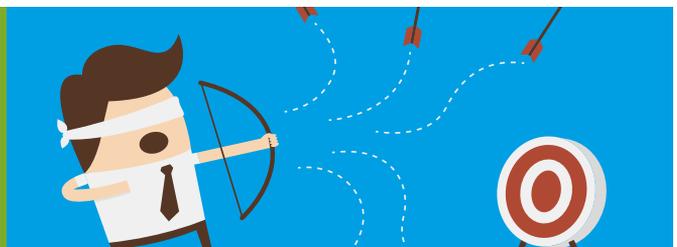
Going forward, Mares & Mares will focus on its criminal law practice, with a secondary emphasis on civil litigation.

“The complexity of economic crime and corruption cases in which our law firm has been involved over the last few years requires us to ensure the highest standards in the exercise of defense,” commented Mares & Mares Managing Partner Mihai Mares. “We have now set out to strengthen this practice, to focus on commercial criminal case law, and to a lesser extent on civil litigation, so that we may provide such services within a short period of time to both clients and other law firms that do not have the capacity to react as quickly in urgent cases.”

By Mayya Kelova

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





KALO ASSOCIATES
ATTORNEYS AT LAW

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PARTNER MOVES

Date Covered	Name	Practice(s)	Moving From	Moving To	Country
2-Oct	Vytis Leonavicius	Corporate/M&A	Arcliffe	Forst	Lithuania
9-Oct	Jurgita Venckute	Corporate/M&A	Averus	Sorainen	Lithuania
9-Oct	Lina Taletaviciute-Misiuniene	Banking/Finance	Averus	Cobalt	Lithuania
19-Sep	Pawel Stykowski	Banking/Finance	DWF	Wierzbowski Eversheds Sutherland	Poland
24-Sep	Tomasz Kaczmarek	Banking/Finance	DWF	Baker McKenzie	Poland
1-Oct	Ryszard Manteuffel	Corporate/M&A	Deloitte Legal	Dentons	Poland
4-Oct	Pawel Sawicki	White Collar Crime	NGL Legal	Soltysinski Kawecki & Szlezak	Poland
4-Oct	Aleksandra Rutkowska	Tax; Litigation/Disputes	Dentons	Ernst & Young	Poland
1-Oct	Lucian Danilescu	Corporate/M&A	N/A	Mares & Mares (former Mares Danilescu Mares)	Romania
7-Oct	Nikola Govic	Labor	Bojanovic & Partners	JTG Law	Serbia
9-Oct	Marko Trisic	Litigation/Disputes	N/A	Zivkovic Samardzic	Serbia
26-Sep	Ilhan Yigit	Corporate/M&A	Arslan Law Firm	N/A	Turkey
27-Sep	Denys Kytsenko	Tax; Litigation/Disputes	Eterna Law	Dynasty Law	Ukraine

PARTNER APPOINTMENTS

Date Covered	Name	Practice(s)	Firm	Country
19-Sep	Sabina Lalaj	Corporate/M&A; Banking/Finance	Deloitte Legal	Albania; Kosovo
1-Oct	Justinas Jarusevicius	Litigation/Disputes	Motieka & Audzevicius	Lithuania
1-Oct	Rimantas Daujotas	Litigation/Disputes	Motieka & Audzevicius	Lithuania
17-Sep	Teodora Motatu	Corporate/M&A	Biris Goran	Romania

IN-HOUSE MOVES AND APPOINTMENTS

Date Covered	Name	Company/Firm	Moving From	Country
24-Sep	Nikolay Vasilchev	Maxima Bulgaria/T Market	Kambourov & Partners	Bulgaria
9-Oct	Barbora Dubanska	Taylor Wessing	Novartis Oncology	Czech Republic
19-Sep	Peter Sukosd	DLA Piper	Metro Cash & Carry	Hungary
1-Oct	Hakan Madi	Pronet Security Services	Ekin	Turkey

OTHER APPOINTMENTS

Date Covered	Name	Company/Firm	Appointed To	Country
7-Oct	Lukas Hejduk	CMS	Head of CEE Real Estate	Czech Republic
4-Oct	Vadym Romaniuk	PwC Legal	Head of Banking and Finance	Ukraine

THE BUZZ

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

MONTENEGRO: OCTOBER 14



Lawyers in Montenegro are talking about the Montenegro Economic Citizenship Program these days, says Lana Vukmirovic, Managing Partner at Vukmirovic Mistic.

Vukmirovic says that the demand for economic citizenship in Montenegro is growing – “the country is becoming particularly attractive for investors from Asia and Middle East,” she says – and the program is expected to offer “respectable

projects and programs to kick off with the first applicants by the end of the year.”

In the meantime, Montenegro is awaiting a new Company Law and a new Labor Law, Vukmirovic says – both representing significant improvements over previous regimes. Several attempts have been made to adopt similar laws in the past, but the drafting process was extended following feedback and comment from labor unions, employers’ associations, and other corporate players.

Vukmirovic explains that “our current Company law is not as detailed as it should be,” and that, under the new law, “some things will be better regulated and [it] will have some impact on the economy.” She also expects positive things from the Labor Law, reflecting “explicit discussions” about a statute of limitations for employee claims and increased protections for workers – specifically employees hired through agencies and employees on maternity leave. Ultimately, she says, the new Labor Law will bring “more detailed regulation for the employers and a greater level of certainty for the employees.”

By Mayya Kelova



AUSTRIA: OCTOBER 16



Austria's political scene felt some tremors in the past few weeks following snap elections. "The Conservatives won in a landslide, with almost 38% of the vote, with Social Democrats taking a very distant second, with around 21%," reports DLA Piper Country Managing Partner David Christian Bauer.

Another notable result of the election is the low 16% vote for the far-right Freedom Party – the recent coalition partners of the conservatives – following insinuations of corruption. "The Conservatives will most certainly form the Government and any coalition that gets formed will have to go through them," says Bauer, emphasizing that the Freedom Party will face strong challenges to return to rule, with the scandals and "internal turmoil they're experiencing."

While the Conservatives and the Greens – who obtained a 13% result – have significant differences and very little overlap in their ideas (although a coalition between the two is still favored by many), Bauer thinks that what "could otherwise work is a Government formed of Conservatives and the Social Democrats - however, there is not a lot of love between them either." He believes that such a Government would probably be very stable, but not very active, and that "few reforms, if any, would happen." He says that a "minority coalition of the Conservatives with the left-liberal NEOS and supported in parliament by the Freedom Party might be an option as well."

In terms of business, Bauer says, Austria is still "doing great." According to him, aside from the country's automotive industry, "which is very regulated and under direct impact of the

German automotive industry, most other sectors are strong,” and he adds that a lot of business is being done with companies from Asia and the US.

Not everything is purely positive, however. “The tourism and services sectors are booming, but the banking sector is having a bit of a difficult time, especially because of the continued European Central Bank policy of negative interest rates.”

In another significant development, Bauer points to the recent recognition of the Vienna International Arbitral Centre by the Russian Government as “one out of just two foreign arbitration institutions.” Bauer describes this as a clear sign that the Russians have “a lot of trust in the Austrian legal system and political stability” and that it will lead to “CEE/CIS arbitration strengthening.”

Finally, Bauer says, the legal sector has seen some movement. He reports that “a significant number of partners have left private practice and firms to move over to the legal arms of Big 4 auditing companies.” According to him, “there is a significant demand for corporate housekeeping and this is a reflection of that – the Big 4 have recognized the need and, accordingly, started scooping people up.” He says that, as “a lot of partners from major firms have moved over to EY and KPMG, there is some palpable tension on the market.”

By **Andrija Djonovic**

CROATIA: OCTOBER 17



“Croatia has had a wave of NPL transactions which have left behind a need for more lawyers to manage the sold loan portfolios as case managers,” says Ivna Medic, Managing Partner of Kallay & Partners in Zagreb. She reports that the Croatian businesses have recognized the need for lawyers as compliance officers and that more and more lawyers are accepting such positions.

The Croatian legal market, Medic says, is experiencing a generational shift, with “the focus switching from the older, full-service law firms to their junior partners or senior associates launching spin-offs with their own firms.” There are new offices opening, though the “older and bigger firms are still dominating the high-value private sector.”

Medic reports that expectations are high for Croatia’s new Enforcement Act, which is “currently scheduled for the second reading in front of the Parliament and [which] contains quite major changes, all in order to make the enforcement procedure more flexible and economically rational.” The changes, she says, are expected to “resolve some practical issues” and to “finally resolve the issue of the powers of public notaries within the enforcement procedure.” In addition, going forward the enforcement procedure in Croatia will have to be “initiated and managed using electronic means of communication and the use of prescribed forms,” which she says should simplify the process as a whole.

Medic describes the real-estate sector in Croatia as “very active, even with prices being at their highest level from the last few years, in both the commercial and residential sectors.” Returning to the NPL market, she says it is growing as well, and is quite active with “huge interest from different funds and companies that are being established for just this purpose.” She rounds up her assessment of the economy by citing “major investments made in tourism, especially on the coastline” and reporting that “the metal and wood processing sectors are growing as well.”

“As for infrastructure projects in Croatia taking place currently,” Medic says, “I’d have to mention the upcoming construction of solar power plants in Cres, Vis, and Vrlika, and the purchase of the solar power plant in Kastelir, which is just the first stage of a HRK 750 million investment that is scheduled to occur by 2023.” In addition, she says, this year “the agreement to construct a bridge over the Sava River near Gradiska was finally signed,” following initial agreements between Croatia and Bosnia and Herzegovina back in 2011. The estimated value of the project is EUR 30 million and it is expected to be finished within two and a half years.

Finally, Medic assesses the current political situation in Croatia. “We have a presidential election in two and a half months,” she says, “so everybody is more or less focused on this, but I personally do not see that it will have any – or at least any serious – impact on business. Public perception is that the President of Croatia does not have great influence on the economy, therefore, it is not expected that the election results will influence business in any significant way.”

By **Andrija Djonovic**

SLOVENIA: OCTOBER 18



“Generally speaking,” Tine Mistic, Partner at ODI Law says, “the Slovenian market and the economy are doing well, our long-term debt has been upgraded to AA- by S&P, which means Slovenian bonds are highly ranked, and the GDP is growing at about 3.1%, [which is] relatively high compared to other EU countries.”

This blossoming economic situation is directly benefiting some sectors of the economy – Mistic singles out real estate, residential property, and services – although he says the manufacturing sector is “slowing down a little bit.” Given that Slovenia is heavily export-orientated, Mistic believes that related economic sectors will “potentially feel reverberations, especially given the slow-down in the German market – producers will brace for lower rates of orders in the coming months.”

Mistic changes the subject to the potential for new legislation in the country. “First, we need to mention the Slovenian bail-in – that is to say, the decision of the Constitutional Court, pursuant to a CJEU decision, that the State must adopt a law allowing damage compensation upon the ‘no creditor worse off’ principle to investors and creditors who were damaged by the writing-off of subordinated financial instruments issued by six Slovenian banks.” The draft of that law has been adopted by the Government and is currently in the advanced stages of Parliamentary procedure. The Bank of Slovenia will be “obligated to cover any such damages,” he says, noting that there may be additional judicial challenges to the law once it is passed.

The second legislative change that is frequently discussed, he says, involves tax reform. “The Government has adopted a tax reform package and has sent it to the Parliament,” Mistic reports. “The biggest new thing is the increase of the corporate income tax rate from 19% to 20% — and the capital gains tax rates are being raised as well.” The proposed reforms are already affecting the behavior of businesses, he believes, with “certain M&A activities, for example, already changing to reflect these changes.”

Mistic also mentions two developments that may have significant reverberations on the market. The first is the filing for bankruptcy by Slovene airline Adria Airways, which “will cer-

tainly lead to attempts by large foreign airlines to fill this market gap and seize the business.” The second is the conclusion of the privatization process of Slovenian banks, “following the IPO of NLB – the largest State-owned bank – and the acquisition of Abanka, the second-largest State-owned bank in Slovenia, by U.S. Apollo-owned Nova KBM.” The privatization process, he says, was made to satisfy a “demand made by the European Commission to have the largest banks privatized over time.”

Finally, for market activity, Mistic reports that there have been “substantially fewer” NPL-related transactions, as banks clear their balance sheets. With transactions decreasing, he says, the “NPL hotspot” has shifted away from Slovenia to Croatia and Serbia, where NPL-related transactions are “booming.”

Wrapping up, Mistic refers to two infrastructure projects currently underway in Slovenia. “There’s the construction of the Karavanke tunnel in the Slovenian-Austrian Alps, which is in a bit of a stall,” he says, as the Slovene National Review Commission is still reviewing some parts of the project. The other project is the construction of the second railway between Divaca and Koper. “The estimated total value of the project is EUR 1.2 billion,” he reports, “and the Government has created an SPV to handle activities related to it.” He says that there are almost certainly going to be some tender awards challenges by “unhappy investors,” but that construction is expected to start sometime next year, and that preparatory works are already underway.

By Andrija Djonovic

THE CZECH REPUBLIC: OCTOBER 21



While she reports that Brexit is a major topic of discussion for lawyers in the Czech Republic, Prague-based Baker McKenzie Partner Milena Hoffmanova, who heads the office’s Czech Pharmaceuticals & Healthcare group, is focused on the issue of the timely flow of affordable medicinal products from manufacturers to patients.

Hoffmanova is critical of a draft amendment to the Czech Pharmaceuticals Act that was approved by the Lower Cham-

ber of the Parliament on September 24, 2019 after the Senate's objections were out-voted. "We are of the opinion that the current amendment will not be enforceable due to its infringement with EU laws," she says, pointing out that "two years ago the Parliament enacted a similar amendment, but although it entered into force, it was not enforced by the regulatory authorities as it was deemed to be too vague and in conflict with the EU law." That amendment from two years ago required Marketing Authorization Holders (MAHs) — companies authorized to market specific medicinal products in one or more EU member states — to deliver pharmaceutical products to distributors based on those distributors' market share. The new amendment obliges MAHs to supply pharmaceutical products to distributors based on their request to an extent corresponding to two-week demand from pharmacies. "Although the new law was created to change the situation they are still quite similar," she sighs.

To fix these problems, Hoffmanova says the Czech Ministry of Health has prepared a new draft law, which is currently in the Lower Chamber of the Parliament. "The law introduces completely different rules and is truly a game-changer," she says, enthusiastically. This new law, if enacted, would cancel the two previous amendments and introduce regulations impacting the distribution of medicinal products without obliging MAHs to generally deliver products to distributors. It would introduce the obligation for MAHs to establish emergency channels through which they would be obliged to supply pharmacies with medicinal products that were prescribed to specific patients if the pharmacies were not able to obtain these medicinal products elsewhere. Hoffmanova says that, unlike the previous amendments, which might have protected the interests of the distributors but could not ensure an efficient distribution of medicinal products for patients, this new draft law finally focuses on making medicinal products available to patients in pharmacies rather than forcing MAHs to cooperate with distributors they do not want to trade with.

Hoffmanova says that the Czech pharmaceutical market has become more active recently. "We see that problems that were there all the time are now being brought to light and being addressed, not always in the best way — but the Ministry of Health has become active in recent years and is trying to address issues." She admits, however, that the rapid pace of change in applicable legislation makes it difficult for companies. "Often companies do not have time to adapt to these changes," she says. "For example, the distribution system for medicinal products takes a year to amend, but pharmaceutical companies are given only two months to change, which is impossible. Nobody can adapt to such massive changes within two months," she says. "It is just impossible!"

By Mayya Kelova

BULGARIA: OCTOBER 21



"What we are seeing lately is a fragmentation of the legal market, as well as intensifying competition," says Peter Petrov, Partner at Boyanov & Co. in Bulgaria. "While no major players have entered or exited the market, there have been moves between legal teams, as well as existing teams developing new expertise." Despite these changes, Petrov emphasizes that large local firms remain the preeminent players in the market and that the "legal environment remains complex, and it puts ever-increasing demands on law firms that are committed to maintaining standards."

Petrov believes that the Bulgarian economy is developing well. "In contrast to the period before the global financial crisis," he says, "we are not seeing one sector — like real estate — expand exponentially, but rather there is activity in a wide variety of fields, which is encouraging for the overall health of the economy." Petrov points to what he calls "positive energy" in a lot of sectors, including continued investments in manufacturing and commercial real estate, an expanding IT sector, a "better climate" in the energy sector, and "healthy growth" in the retail, pharma, automotive, finance, telecoms, food and beverage, and consumer goods sectors. He believes that the Bulgarian economy is expanding at a good pace, uninterrupted by any "jolts that may cool business confidence."

Petrov says the energy field is particularly interesting, "with the Turkish Stream in development and the potential reopening of the nuclear Belene project." He also notes a "large project in motion" in the transport sector with the recently-completed concession procedure for the Sofia Airport and its subsequent expansion. Although these projects are large and likely to make a clear impact on the market, Petrov believes that it will be a "regular stream of smaller projects" that are "likely to be the main driver of investment in the country."

Finally, speaking about purported legislative changes on the horizon, Petrov says that the Bulgarian Government is "contemplating a major reform of the healthcare system, possibly allowing multiple competing general health insurance schemes, which is likely to radically change the landscape in the sector." In addition, he says, he expects the Government to assume a mostly "gradual approach" to legislative changes, which he believes will "ultimately be a better scenario, long term, for business."

By Andrija Djonovic

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MARKETING LAW FIRM MARKETING: THE REASON FOR THE ROLE

Why would anyone knowingly become a law firm marketing specialist – a role that is demanding, complicated, challenging, and stressful? To explore this mystery, we went to the source. Accordingly, this time around we asked the law firm marketing specialists of CEE to complete the following question: “I went into Law Firm Marketing/BD as a career because _____.”



“I went into Law Firm Marketing/BD as a career because I was given the opportunity to transform my then-daily work of passive translations into more creative tasks such as putting together pitches, capacity statements, and submissions. Luckily,

I was on-boarded to the profession by one of the finest law firms in Croatia, and I was even more lucky to have continued my professional growth within the international environment of CMS.”

Jelena Bosnjak, Business Development & Marketing Manager, CMS Zagreb



“At the time, it was a big step up and from where I was standing it seemed like the dream job: exciting, important, attractive (traveling and training opportunities), and thus never boring. I made the right choice. I have grown a lot, have had great

mentors, learned unforgettable lessons and got to be a part of this amazing journey that is Kinstellar. I’m having the time of my life in the process and have never had a dull moment.”

Adela Ene, Head of Marketing, Kinstellar



“A colleague of mine made me a job offer I could not resist. It was not only because of our acquaintance, and remuneration was not a decisive factor. I simply got inspired by the firm’s innovative vision.

When I met the managing partner, he was bold enough to say: ‘We want to expand our services beyond just legal advice and offer our clients comprehensive solutions to their business challenges.’ I thought to myself, ‘a lawyer who officially declares himself as an entrepreneur rather than a lawyer?’ – Looks like a fantastic marketing opportunity must be around the corner! And here I am, dealing with so many innovative marcomms projects you would never expect a law firm could be doing. Sponsoring a student team developing a revolutionary satellite to be placed on Elon Musk’s Falcon 9 rocket? – why not? It was a great opportunity to emphasize our firm’s digital transformation competences (we labelled that initiative as ‘Make IT fly’). Another example of SSW’s untypical approach: as part of our 10th anniversary celebrations, we invited a famous futurist, Mike Walsh, to deliver a power speech on leadership trends and new challenges triggered by AI, automation and technology.”

Marcin Wolinski, Marketing and Communications Manager, SSW Pragmatic Solutions



“I went into Law Firm Marketing / BD as a career because I like working and communicating with people with different characters, it is challenging, it is interesting, it is unpredictable, it can be really rewarding and a little frustrating at times.

But that is what makes the journey worth it.

Because law firm marketing is many exciting things, including: (i) Pitches for clients; (ii) Market research; (iii) Editing and proofreading; (iv) Legal directory submissions; (v) Document design; (vi) Event management (vii) Public speaking; (viii) Communication with lawyers, publishers, editors, marketing and communications executives from all over the world; (x) Fellow team meetings and constant learning and exchange of ideas; and (xi) Meeting clients.

You can never get bored and every day comes with a challenge.”

Violeta Koeva, Marketing and BD Executive, CMS Sofia

“Some people set long-term goals and follow them methodically. My short term and long term goal are the same - to

do my job as well as I can. I started out at my current firm in an admin position and have now progressed to the role of marketing specialist. Depending on the day, the work can be interesting, exciting, challenging, frustrating, stressful, and several other adjectives. I definitely still have a lot to learn. But in answer to your question, “How did I get to where I am professionally?” I would say, doing my job well, being in the right place at the right time and just plain luck.”

Name withheld by request.



“I went into Law Firm Marketing/BD as a career because legal services touch every corner of your day-to-day life. That makes the work interesting and demanding at the same time. With a public relations background from the public sector,

stepping into a law firm was an important decision to boost my career by getting deeper insight into public relations issues in a highly sensitive context.”

Iris Stiefelmeyer, PR & Marketing Manager, Schoenherr

ON THE ROAD:

HOW CEE LAW FIRMS STRUCTURE THEIR BD TRIPS TO THE UNITED KINGDOM

**Another in our series of articles leading up to
the 2020 Dealer's Choice Law Firm Summit
and Deal of the Year Awards in London**



As the world shrinks and competition for clients grows, CEE law firms are increasingly looking to major UK or US-based firms for referrals. To develop the kinds of relationships that can lead to these referrals, firms often send partners to London to meet with partners at the major international firms based there to establish the kinds of relationships that could, at some point, result in business.

With the 2020 Dealer's Choice Summit being held for the first time ever in London specifically to facilitate the meetings that are so critical to these relationships, we reached out to the event's sponsors to understand more about how they conduct these Road Shows, and how the Dealer's Choice event will help them establish, maintain, and/or strengthen relationships with international law firms.

What Do CEE Law Firms' Road Shows Look Like?

"We call our trips 'city breaks,' and do them regularly, with London being the most frequent destination," says Tomas Dolezil, Partner and Head of Corporate/PE at the JSK law firm in Prague, whose firm is a member of the Dealer's-Choice-sponsoring Pontes Alliance. Dolezil says that the Pontes firms make these city breaks in "full strength as Pontes" every spring, although there are also a "few other opportunities during the year when some members of the firm or the network visit London and meet up with our contacts."

"During the main London trip we arrange over 20 meetings with clients, international law firms, and other advisors," Dolezil reports, adding that the partners focus mostly on "relevant practices and sectors," and "diligently select the size and composition" of their delegation. Of course, not all the BD for foreign business takes place in foreign countries, and Dolezil reports that each year he and his counterparts at Pontes also organize an event at an embassy in one of the countries where Pontes members are located to "brief the audience about legal and business developments in the CEE region."



Jonathan Marks

shows. “As my partner Roman Kramarik is a pilot who has flown around the globe,” he says, “we sometimes fly his Cessna to these places. It requires careful planning but always attracts the attention of the people we meet and makes our visit quite unique. People remember that for a long time.”

“We usually do such BD trips 3-4 times a year to London and other major cities in Europe. And we usually meet with law firms who work with us on joint deals, as well as clients, if they are available.”

gion at our offices.” These visits are often necessitated by client work, he explains, so “the lawyers use the opportunity to catch up with us as they are over anyway.” On other occasions, of course, the visits are part of a purely business-development-oriented trip.

“As my partner Roman Kramarik is a pilot who has flown around the globe we sometimes fly his Cessna to these places. It requires careful planning but always attracts the attention of the people we meet and makes our visit quite unique. People remember that for a long time.”



Mykola Stetsenko

Though he usually flying commercially, Mykola Stetsenko, Co-Managing Partner at Avellum in Ukraine, says road shows are a regular part of his firm’s BD schedule as well. “We usually do such BD trips 3-4 times a year to London and other major cities in Europe,” he says. “And we usually meet with law firms who work with us on joint deals, as well as clients, if they are available.” He says that they try and meet with several new firms during each visit as well to “broaden the firm’s network of contacts.”

Marks says that the format of these visits often consists of “a brief geopolitical and economic update from their country as well as sharing any new legal developments, providing news of recent deals, and identifying potential opportunities of collaboration.” For Slaughter & May, at least, Marks reports that the ideal frequency of these visits is “a few CEE firms a month.”



Tomas Dolezil

“We already have a network of contacts, which we constantly develop and upgrade,” Dolezil says. This list is based on personal relationships and referrals which, in most cases, “overlap with practice areas and specific projects,” and he reports that he and his colleagues “try to avoid having a firm being approached by more than one person from Pontes at any time.”

Dolezil smiles as he describes a particularly memorable element of JSK road

shows. Stetsenko adds that the way Avellum arranges its trips varies, with the firm often initially reaching out to existing contacts at the target firm to “ask them to meet and invite interested partners along for the meeting.” Other times, they will ask for introductions, as well as sending direct emails to “new firms that we want to meet.”

Slaughter and May Partner Jonathan Marks, who is based in London, regularly hosts visitors from CEE. “London is an important city for many law firms as a number of clients and international law firms are based here,” he says, “so we often meet with lawyers from the CEE re-

How Valuable Are Road Shows?

While it may be difficult to measure the exact impact of these activities on a given law firm’s business, there is little doubt that the trips are valuable. “Productivity is difficult to measure and depends on the relationship with the contact person and the preparation for the meeting,” JSK’s Dolezil says. However, he says, “when the topics on the agenda are current” that usually means “higher productivity and greater results with specific follow-up.” And he says that “personal meetings are essential for building confidence and trust,” and that e-mails, calls, rankings,

and social media contacts, “while important themselves, cannot replace real faces and handshakes.”

Stetsenko agrees that a “face-to-face meetings are always better.” He believes the visits are “absolutely” productive, noting that “at some meetings we may have a very detailed discussion with a London partner about a legal issue in Ukraine and, upon returning home, we may get an instruction from that law firm.” As a result, Stetsenko says that they try to be “helpful to international law firms” by highlighting recent legislative and market trends in Ukraine.

And sometimes the in-person meetings provide an opportunity for unexpected contacts. Stetsenko recalls that “we had a meeting once with a major law firm and a partner walked in. We had not worked together before, and in fact he had had little interaction with Ukraine in the past. However, he had a client and a project on his table at that time that required substantial involvement of a Ukrainian law firm. So he basically ran a series of questions by me at that meeting – sort of like an oral exam on the topic and industry. Eventually, he was satisfied and left the meeting. In less than a week we got appointed on that transaction, which lasted more than a year and was quite successful for us.”

“It’s all helpful,” Marks says, referring to both face-to-face meetings and other forms of communication. “Building relationships through meetings and attending conferences such as the Dealers Choice conference, but also raising your brand and profile by traditional marketing - it is important to share thought leadership and know-how.” He says that while “it’s great to have a strong brand,” having “solid relationships” with strategic personnel at other firms is critical as well, “as the brand in itself won’t necessarily translate to more work, which is what we all want.”

“As a firm we place a lot of value on the many relationships we hold with our cli-

ents, relationship law firms, and contacts across the globe,” Marks says. “Getting in touch if the law firm has an opportunity for a joint pitch or wants help with a referral is also a good targeted way of proceeding. We are happy to help, and have put in pitches, joined calls, and even jumped on a plane to help to join a pitch.” To this end, Slaughter and May has an International Relations team in order to arrange meetings. “One of the primary roles of our International Relations team is to oversee our relationships with law firms globally,” he says, “as it is important to us to ensure that we know the best law firms so we can provide seamless service to our clients in whatever part of the world they are working in.”

“these visits often consists of a brief geopolitical and economic update from their country as well as sharing any new legal developments, providing news of recent deals, and identifying potential opportunities of collaboration.”

All taken together, Marks believes that BD road shows allow him to meet law firms from the region, as “it can often be difficult to carve out time for multiple BD trips to the many CEE countries, and it is valuable to have an opportunity to meet them when in London.”

Dealer’s Choice Summit – a Perfect Opportunity?

“Time permitting, we take a flexible approach and also meet lawyers at conferences,” Marks says, referring to “regional events like the Dealers Choice Conference taking place in London next year, which provides an opportunity for CEE lawyers to network with international law firms, establish new relationships, and

also discuss topics and issues pertinent to doing business in CEE.”

Marks notes that of course there are never any guarantees that business will arise directly from attending conferences, but he says that he “would like to think that the Dealers Choice conference will provide many networking opportunities, a chance to share experiences of working in the region with like-minded people, and discuss how we can better service our clients.”

To maximize the value of the Dealer’s Choice event, Marks reports that Slaughter and May is “very excited to be hosting a drinks reception the evening before the conference at our London office,” which he describes as a great opportunity for Slaughter and May partners to connect with clients and law firms from CEE.

Stetsenko also believes that the Dealer’s Choice event will be a “fantastic opportunity to have face-to-face meetings” with old friends and prospective contacts, and that he hopes “we can bring good news from Ukraine to London, given that Ukraine is poised to implement several major reforms.” He believes this will be a topic of significant interest, especially to firms who work on transactions in Ukraine.

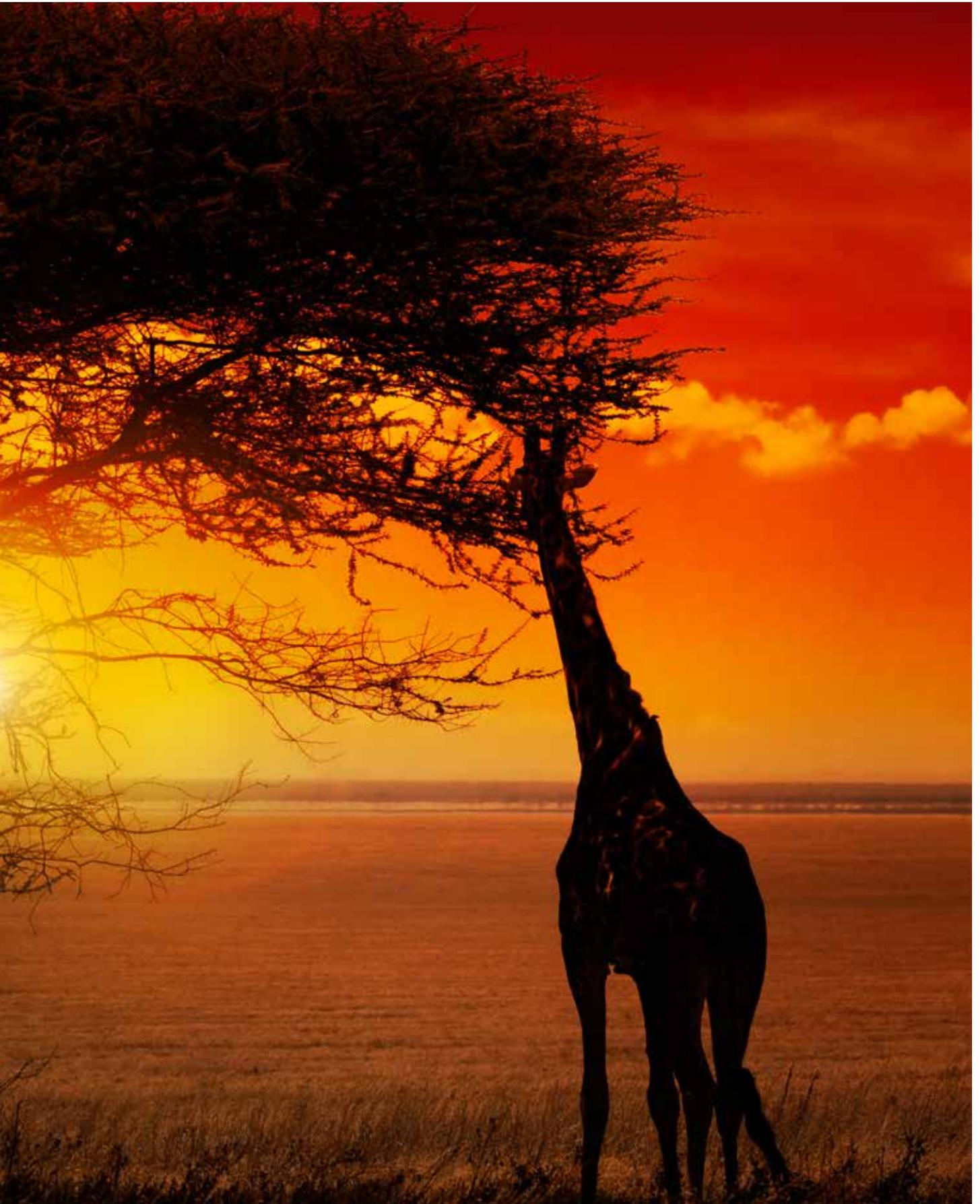
The Dealer’s Choice International Law Firm Summit, co-hosted by Slaughter and May, will be held in conjunction with the third annual CEE Deal of the Year Awards Banquet on April 23, 2019, at the HAC in London. Sponsors of Dealer’s Choice include Avellum (for Ukraine), Cipic-Bragadin and Associates (for Croatia), JPM Jankovic Popovic Mitic (for Serbia), Kolcuoglu Demirkan Kocakli (for Turkey), and Nagy & Trocsanyi (for Hungary), as well as the Adrialia law firm alliance and the Pontes the CEE lawyers law firm alliance. For tickets or other information please contact CEE Legal Matters.

Andrija Djonovic

FOREIGN FOCUS: SOUTH AFRICA

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THE FOREIGN INVESTOR: INTERVIEW WITH HYPROP CIO WILHELM NAUTA



Hyprop Investments – South Africa's largest listed specialist shopping center Real Estate Investment Trust – operates a portfolio of premium shopping centers in South Africa, other countries of sub-Saharan Africa, and Southeastern Europe. Hyprop's six current investments in SEE include two shopping malls in Zagreb and one each in Sofia, Podgorica, Belgrade, and Skopje. Hyprop is internally managed and headquartered in Johannesburg.

We spoke to Wilhelm Nauta, the Executive Director and Chief Investment Officer of Hyprop, to learn about the company's interest in and strategy for CEE.

CEELM: Tell us, just in a few sentences, what Hyprop is, and what it does.

Wilhelm: Hyprop is a Real Estate Investment Trust (REIT) that has been listed on the Johannesburg Securities Exchange (JSE) for more than 30 years. A REIT enjoys certain tax benefits for as long as it primarily invests in property, pays out most of its free cash as dividends, and does not exceed certain gearing limits. Hyprop focuses on the retail sector, especially large shopping centers. Hyprop currently has a portfolio of nine large shopping centers in South Africa, six



large shopping centers in CEE (valued at EUR 800 million), and four shopping centers in Sub-Saharan Africa (outside South Africa). Hyprop's stake in the CEE portfolio is held through Hystead, a JV in which Hyprop has a 60% stake.

CEELM: What is your personal background? How did you get to your current position, and what has your interaction with CEE/Eastern Europe been in particular?

Wilhelm: I am a qualified Chartered Accountant and I have worked in investments and related fields for the past 20

years, including the stockbroking, private equity, and unlisted and listed property industries. I was appointed by Hyprop in 2016 following the company's strategic decisions to expand into CEE, reduce exposure to Africa (outside of South Africa), and divest its non-core assets. I have been integrally involved in changing the geographical and sectoral asset allocation of the group and helping it become a retail specialist, increase exposure to CEE, and, again, reduce exposure to Africa.

CEELM: How does the legal function at Hyprop work? Where is it based? Do you have a separate team in and for Eastern Europe?

Wilhelm: Hyprop has a legal executive that is based in Johannesburg, but for cross-border transactions Hystead makes use of top legal firms in the respective countries. Hystead has its own asset management and financial teams based in Europe.

CEELM: How does Hystead structure its investment strategy for Eastern Europe? By geography, or sector, or simply on an ad hoc basis, as it learns of good opportunities?

Wilhelm: Hystead's strategy is to invest in large, dominant shopping centers in Eastern Europe's main commercial cities. To date, we have mainly invested in the Balkans, but we would consider opportunities in Central Europe at the right price. We find the yields of the more developed countries in CEE to be quite low relative to the funding cost. This is unlike the Balkans, where the spread between funding cost and initial yields are often 350 basis points or more.

CEELM: What does Hystead's CEE team look like? Where are the representatives based who explore and identify good opportunities, and how many are there?

Wilhelm: Hystead has a chief operating officer and chief financial officer based in the Netherlands and Bulgaria, respectively. They are supported by a financial team in Bulgaria and property management teams on-site at each mall.

CEELM: How does Hystead identify good opportunities in CEE/Eastern Europe?

Wilhelm: Most of Hyprop's opportunities come through broker networks or direct contact with potential sellers, by virtue of Hystead becoming known in the market after having acquired six malls in the last three years in the Balkans.

CEELM: How does Hystead select external counsel for its deals? Is there a panel, or is outside counsel selected on a case-by-case basis?

Wilhelm: Word of mouth is the only reference used for selecting legal counsel. Hystead has used a legal network called South East Europe Legal Group to good effect. Polenak Law Firm in North Macedonia, Boyanov & Co in Bulgaria, and Divjak, Topic & Bahtijarevic in Croatia have provided good service to Hystead.

CEELM: Does Hystead have anything exciting going on in CEE now?

Wilhelm: Yes, we do have exciting plans, but sometimes good plans take time to come to fruition. It's been eighteen months since Hystead's last acquisition in Eastern Europe but we are definitely still bullish on the region and would look to increase exposure to the region.

CEELM: To finish on a personal note, what's your favorite memory of CEE?

Wilhelm: One of my best experiences in the region was a night in Old Belgrade. I love Belgrade as it is beautiful and vibrant, with excellent food. A visit to the beautiful Sveti Stefan on the Montenegrin coast also stands out, but unfortunately the prices there are so steep that you can only drink tap water and enjoy the view. To my shame I have never been to Croatia's beautiful coastal cities, as I only visit our two malls in Zagreb due to a very tight time schedule. A trip through the region on a bicycle one summer is high on the bucket list!

CEE Legal Matters would like to thank Denise Hamer of Kinstellar for introducing us to Wilhelm Nauta.

David Stuckey

BOTH BOBOTIE AND BORSCH: A SOUTH AFRICAN IN KYIV

Ronnie Apteker is a South-African born entrepreneur, author, and filmmaker. He founded the first Internet Service Provider in South Africa, which is now part of the world's largest TelCo, Japans's NTT. He has made Kyiv his second home, and is currently busy with a documentary film project about the IT landscape in Ukraine. We asked him to share his thoughts about Kyiv – many of which, it turns out, apply elsewhere in CEE as well.

Our plane touched down as the light was disappearing late on a snowy afternoon that cozy winter. My friend Jacques and I were in for a life-changing adventure. It was dark when we reached the terminal and I remember the old Soviet-style airport and thinking to myself, “Where the hell are we?” After a couple of days in the city we fell in love. No, not with each other – with Kyiv. That was 12 years ago and it was then 4 hryvnia to the US dollar. It was a time of hope and enthusiasm and dreams. Since then there has been a global financial crisis and the Maidan revolution, and the war with Russia (which is still going on). It is now 25 hryvnia to the US dollar and the European economy is in a tough place. And with all of this, the mood in Ukraine is currently optimistic and the energy in Kyiv is magical. I love being there.

A few years ago I bought an apartment in Kyiv and have been spending at least half

of each year there since. After Maidan a lot has changed. Eating out in Kyiv has become a real treat. I have over a dozen favorite restaurants, and more keep coming. In the past couple of years Kyiv has developed in such fantastic ways, and the city was already cool. People keep referring to it as “the next Berlin.” And now, since May, the new president has brought renewed hope – he appears to be saying all the right things. Time will tell whether he is the real deal or a false prophet. Ukraine could go backwards if the new leader turns out to be another money-grabber, but I want to believe he is going to act on the things he says. I think the rest of the country wants to believe this too. If he does deliver on his promises I am of the view that Ukraine is going to fly. Time will tell. I think we need to relook at the mood in Kyiv in about six to nine months. He just got the job, so he needs a bit of time. I am optimistic.

I was born in Cape Town, in South Africa, but have lived in other parts of the world too. My working life began in Johannesburg and that city shaped a big part of my career. Sadly, South Africa has many problems, like the growing violent crime nightmare, the failing electricity provider, and a state capture disaster which has cost the country an untold fortune. The list goes on. This is a subject for a whole other story. I mention this because when I am in Kyiv no one talks about crime, or



electricity outages, *etc.* I feel safe walking around Kyiv’s wonderful streets. You see new cool spots popping up all over the place. It is a great time for entrepreneurs to be dreaming. But, doing business in Ukraine is not for the faint-hearted. One needs a thick skin and a healthy sense of humor.

I have many Ukrainian friends, and most of them are entrepreneurs. My very close friend Michael Kharenko, who co-founded the fantastic Sayenko Kharenko law firm in Ukraine, is a lawyer turned entrepreneur. Michael is a machine. He works hard and he knows how to laugh with his soul. A lawyer with a sense of humor is my kind of lawyer. He certainly cares deeply about people and likes to see people smile. In my experience, all his team is hardworking, enthusiastic, and honest. And there is a tremendous creative spirit in Kyiv that constantly captures my imagination. The talent I have witnessed is often incredible. But there is a cultural challenge. And there is a lack of understanding of what it means to be a professional. Remember, customer service is not something that existed as

a concept in this part of the world just a couple of decades ago, and the idea of ownership is also relatively new. Combine this with a lack of role models and mentors, and what you have is an unpolished and often misunderstood style of doing business. When I look at my friend Michael's law firm – without a doubt one of the best firms in Ukraine – I often call him aside and try to whisper things in his ear. I guess you could say I am a kind of informal mentor. “Why doesn't anyone knock on a door before they enter a meeting room?” I ask Misha. “And why do people there often say to me ‘nice to meet you,’ when they have met me dozens of times?” None of this is a crime, of course, but, if you want to be more world-class, then you need to behave world-class, especially when it comes to interacting with foreigners.

In my view, the former Soviet countries don't yet understand the difference between professionalism and talent. Just because someone is a creative wizard, and puts in long hours, and is full of beans, doesn't mean they are professional. Notice how people in Ukraine very rarely write stuff down? Or how being on time is a challenge? Or how people assume way too much? This all leads to frustration, and ultimately means that expectations are not met. And this is unprofessional. A professional writes things down, and communicates, and is punctual and manages expectations. It is not about attitude – I feel the attitudes in Kyiv are always positive and people want to work hard. It is about a simple lack of understanding and experience that will in time develop and make it easier to get things done. I have learned to over-communicate because people don't often confirm things, and this leads to balls being dropped. None of these challenges are based on anything negative. It will simply take patience and guidance for Ukrainians to embrace more Western standards. I have seen a lot of progress in the past few years, and some of the new restaurants in Kyiv are a testimony to that. But God help you if you go to a place with an old-school vibe, as you can stand on your head before a waiter will come to

your table.

As an entrepreneur, my biggest activity is to sell. My entrepreneurial friends in the UK or in the US are always selling. Whether it is actual selling, as in knocking on doors, or trying to raise capital, or attracting new talent, or inspiring a journalist. Selling and pitching is what we do. We are always trying to elevate the mission and share our passion. But selling makes one vulnerable. Cold calling, for example, is not for everyone, but every entrepreneur has to do this at some point. This is how you land your first customers. So, yeah, it can suck. People tell me to get lost often. It is never fun, but it is not personal. When someone does show interest, my face lights up, and when we make a sale, we are buzzing. The feeling is always fantastic. But the ex-Soviet countries don't know how to sell. Ukraine can't even sell itself. India has done it. And Malaysia. Croatia and Montenegro too. We have all seen ads on TV and billboards in airports. But where is Ukraine – a country with so much to offer? And please don't tell me about the “*Ukraine Now*” campaign – that appears to be nowhere. The Facebook page has 1600 likes. I think my mom has more likes than that. Ukraine and Ukrainians need to start selling. Until this happens the entrepreneurs I keep meeting are going to continue to be frustrated. If you want to do business in the West and compete in the world out there, then you need to start knocking on doors and learning to sell. Being vulnerable is at the heart of entrepreneurship and selling. And this is not something that old Soviet culture allows for. In my view, we need to see a total break from this iron mindset.

Why I think the struggle is worth it is simple: Soul. Ukrainian people are warm and kind. And from my experience, they know how to laugh with their entire soul. A sense of humor is an important thing in my view, and I laugh a lot in Kyiv. People are funny. And they love to laugh. Yes, the language thing remains a challenge, but many more people are speaking English than 12 years ago. Also, in the domain I work in, just about everyone I meet speaks English. I am talking about the world of IT, which I think is now

Ukraine's second biggest contributor to GDP after agriculture. Ukraine today is the second biggest software outsourcing nation after India. Considering that just about every company in the world needs software to be developed, I believe that Ukraine is in a very exciting position. But, until Western professionalism is more of the norm, I know that there will be many frustrations when it comes to dealing with Ukrainians.

Again, when I think of my visits to law firms and the many IT companies in the city, my soul smiles, because I know they care and are trying. But they need mentors. If Ukrainians want to compete in the West, they need to embrace Western professionalism. Their hearts are in the right place, but culturally, they will continue to be frustrated for years to come. And so will we. At least everyone has a good sense of humor, and so do I, so it can also be a lot of fun. I remember having a discussion about an opportunity during a visit to Sayenko Kharenko and making some comment like, “wow, that really opens a door.” And I am convinced there are a bunch of people still looking for this door. Ok ok, that is a silly joke, but English is full of nuance and expression, and this makes life in Kyiv very colorful.

I encourage you to come visit Kyiv. You will love this city. It is beautiful and the people there are spirited and soulful. You will be amazed when you eat out, and it is not expensive, compared to major Western cities. If you are an IT entrepreneur and you have not yet heard about the software talent of Ukraine then you owe it to yourself to come and explore this amazing place. Kyiv is a culturally-rich city. And it is not small – it normally takes a person a full week to walk and explore all that the city has to offer. The architecture and the old buildings are quite something, and there is always something cool going on, every week of the year. Yes, Kyiv is one very cool city.

CEE Legal Matters would like to thank Vladimir Sayenko of Ukraine's Sayenko Kharenko Law Firm for introducing us to Ronnie Apteker.

Ronnie Apteker

EXPAT ON THE MARKET: LIESEL BEUKES OF SCHOENHERR

South African Liesel Beukes is a dual-qualified lawyer and Content Marketing Manager at Schoenherr in Vienna, where she manages the firm's highly-regarded annual RoadMap publication and assists lawyers across the firm's 14 offices with marketing, business development, and press relations.



CEELM: Where are you from in South Africa?

Liesel: Johannesburg, born and bred.

CEELM: Run us through your background, and how you ended up in your current role with Schoenherr in Vienna.

Liesel: I studied law at the Rand Afrikaans University (now the University of Johannesburg), went on to do my articles of clerkship as a trainee lawyer for two years, and qualified as an attorney in 2003. After practicing as an attorney for seven years, both in private practice as a corporate/m&a lawyer and in-house at an investment bank, my life changed course completely. My husband at the time was Bulgarian, and I moved to Bulgaria to teach legal English, then a year later I followed him to Hungary where – while he worked with a top US law firm, I worked as a legal recruiter in various CEE markets, and spearheaded the South African desk. In the process, I became acquainted with the best law firms, companies, and lawyers in the region. Traveling broadened my perspective on different legal structures, markets, and trends, and opened my eyes to different firm cultures, payment schemes, etc.

Fast forward to June 2014: I moved to the Czech Republic and joined Schoenherr in the capacity of a compliance and application specialist, a “frilly” title for doing conflict checks and client identification for anti-money laundering purposes. As a native English speaker and with my legal background, I soon started helping with proof-reading and publications and helped with legal submissions in Prague and Vienna on and off.

I moved to the Schoenherr head office in Vienna nearly three years ago and became the content marketing manager here. My role includes publishing internal primers, more lengthy practice-focused publications, hand-books and guides, and online country comparisons and newsletters. One of my bigger responsibilities is coordinating the Schoenherr *Roadmap* – a yearly publication highlighting significant legal developments in our markets, created in partnership with a different artist or artists. Externally, I liaise with various legal publishers, and I do a lot of proof-reading and editing. I generally assist with some press work, social media, and, here and there, with *ad hoc* tasks such as helping out with submissions to international directories. Last year I also started put-

ting together and providing legal writing trainings for our lawyers. This is something I really love doing and hope to expand on.

CEELM: Was it always your goal to work abroad?

Liesel: Pretty much, yes. When I matriculated, I already had a hankering to leave SA. At that stage I had family in the UK and in New Zealand and I had travelled a fair bit, making me interested in seeing and experiencing more. Some of my friends were taking gap years but most of us jumped straight into our studies.

Initially, when practicing as a lawyer, I still wanted to go abroad, but my enthusiasm started to wane when I considered having to retrain as a foreign lawyer, and when I realized that the sheer logistics of a move would be mammoth, and the costs involved equally daunting. I eventually got around to doing the conversion exams to become a solicitor of England and Wales and qualified in 2008. I then started putting out feelers in London ... and the market crashed. So life carried on in South Africa a while longer.

CEELM: You have a unique history,

as both a dual-qualified lawyer and a non-European in a key marketing role with a highly-regarded CEE firm. How does your background help you in that role?

Liesel: It is always advantageous to have a legal background when in any support role in a law firm, especially a top-tier firm with many offices. Being a native English speaker and having taught English, coupled with a grasp of corporate law-related matters, helps me to see matters from (perhaps) a different perspective from some people in similar roles. I do not have a marketing background, however – so I rely on my colleagues in other ways and learn from them. I think that being non-European doesn't necessarily always help in my role – in fact I think that being fluent in German, for example, would ease my work in some respects. All in all, having travelled widely, qualified as a lawyer in two countries, and seen law firms from various positions, both internally and from an external perspective, has certainly made my job simpler.

CEELM: What in particular draws you to a marketing role such as the one you have?

Liesel: I am genuinely happy working in law. Being in a position where I do what I am good at and enjoy my work is really a fantastic spot to be in. I am proud to work at Schoenherr – which is naturally a bonus when selling the firm. I love language and writing (even outside of the office), so having a job where I get to use these skills, and to market the firm – well, that is gold. Our marketing department is divided into a number of parts, each interconnected yet very different in many ways. I love that I get to work in each division in small ways. My work is interesting, the team is great, and the firm is top class. It has been ages since I practiced law, and there are aspects I miss, but all-in-all I am in the right spot – it's a no-brainer for me. This is a fan-tastic job.

CEELM: How would colleagues describe your style?

Liesel: How on earth do can I answer that

without blowing my own horn?! I asked my colleague Linn Hjelseth, our Corporate Communications Manager, and she said “meticulous.”

CEELM: You have lived and worked in a number of CEE markets, and of course you are familiar with the South African market as well. What differences stand out the most between the South African and CEE judicial systems and legal markets?

Liesel: The most obvious one is that in SA we have a common-law system from the British. Our origins lie in Roman-Dutch law and we have an adversarial trial system without juries, incorporating English procedural law. We also have customary law which is not codified.

In Austria, and I think most if not all of the CEE countries, codified systems dictate the law, whereas we rely on statutes, precedent, and the common law.

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

Liesel: Law firm culture differs from firm to firm even if comparing two boutiques, two magic circle firms, two regional firms, or your mom-and-pop shop down the road. Payment structures affect culture, and internal corporate governance and values affect the culture, as does collegiality, and the kind of management support provided to employees – not only lawyers. The firms' integrity, gender divide, *etc.*, also play a role in determining firm culture. These I could talk about *ad nauseum*. But between SA and here, it's much the same, taking into consideration all the bits and bobs mentioned above.

In general, outside of a work context, culturally South Africans are very open, very friendly. I have found people in most of the countries I have lived and worked in in CEE to be more reserved initially. This isn't bad, it was just unfamiliar to me, and can be misinterpreted as rudeness. Of course, at the end of the day we are all human, and once you crack the exterior, we aren't all that different.

Our histories and cultures shape us, but maybe it is because I was raised to be very liberal and open that I go into situations without clinging to my understanding of life or having particular expectations of how people “should” be.

CEELM: How often do you get home? Do you have any plans to move back to South Africa?

Liesel: Over the past nine years I have been home at least once a year, but now that my parents have left South Africa to join my sister in Australia, I won't be travelling back much. The political, economic, and socio-economic climate is not ideal, and my family and many friends have been affected by crime to the point where I don't see myself moving back.

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

Liesel: That is a tough one. Probably Hungary or the Czech Republic. I still have so many friends in Budapest and visit there every other month. I love the ruin pubs and love cycling along the Danube. Prague was also home for some time, so I have a soft spot for that magical city.

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

Liesel: Oh, there are so many! Naschmarkt for a good Turkish breakfast or brunch, followed by the Albertina, is a favorite. In summer there are great vineyards barely outside the city, and all year long there are fantastic restaurants and cafes around every corner. I love Miznon, which has delicious Israeli cuisine and is in the heart of Vienna – I always take guests there for a quick informal bite to eat. I have to pinch myself when I think that I actually live in this incredible city. It is beautiful and is slowly starting to feel like home. When I look back at my life, I can only smile. The trajectory has been so different from what I had planned or could have expected – but it has taken me to an infinitely better place in so many respects.

David Stuckey

EXPAT ON THE MARKET: ED BARING OF HERBERT SMITH FREEHILLS

Edward Baring's career comes closer to spanning the four corners of the globe than most. An Englishman, Baring completed his studies in the United Kingdom before moving to Moscow as a finance lawyer with Allen & Overy in the early years of this century. In 2016, Baring – having, in the interim, joined the partnership at Herbert Smith Freehills – relocated to South Africa to become managing partner of the firm's Johannesburg office. He spoke to us about his unusual career.



CEELM: Run us through your background, and how you ended up in your current role with Herbert Smith Freehills in South Africa.

Ed: I trained at Slaughter and May in London and moved straight after qualification to join Allen & Overy in Moscow. I arrived in 2001 just as the noughties boom went into overdrive and for a not-naturally-exuberant nation, the Russians actually did irrational exuberance up with the best of them. There was an endless stream of huge deals and I don't recall ever having to attend a single business development or marketing meeting. For seven years, we just turned on our computers in the morning and watched our in-boxes erupt with work. The deals were always completed to impossible timelines – to give just one example, when we advised the lending banks on the acquisition of Roman Abramovich's oil company by Gazprom, I recall that we cobbled together USD 13 billion in about three weeks. When I asked one of the senior people involved if we would be conducting any due diligence on the target, he said "well, the only question is, if Gazprom were to take our USD 13 billion out into the car park and set fire to it, would they still be able to repay us?" He was sure they could, and the deal went ahead, although it would have been fun to have tested the

experiment properly.

Then came the global financial crisis, but very luckily for me, I had accepted a partnership at Herbert Smith just as Lehman Brothers was collapsing, an opportunity which I suspect would not have been on offer even a month later. Moving to a firm with such a strong litigation practice also turned out to be an exceptionally fortunate move for me, as my practice switched almost overnight from a loan issuance practice to being largely a loan restructuring and enforcement practice. This kept me very busy for several very years, and I recall 2009 being one of the busiest and best of my career. But while the global financial crisis didn't slow things down for me, unfortunately the imposition of sanctions against Russia in 2014 did, and while Russian banks continued to give us good work, the deal flow from Western banks dried up almost completely. I therefore decided that it was time to head home to London, but just as I was all set to go, I got the call asking me if I wanted to open HSF's first African office and, well, I just couldn't resist one more adventure ...

CEELM: Was it always your goal to work abroad?

Ed: Yes, in the early nineties I worked in South Africa just before its first demo-

cratic elections and in Zimbabwe just as Robert Mugabe began his now infamous land reform program. And in the late nineties I spent some time living in Russia during the Yeltsin era, so I guess I have always been attracted to places undergoing seismic transitions. After those experiences, I knew that when I eventually got around to finding a proper job, it would need to be somewhere interesting and abroad. Initially I thought I would either end up as a foreign correspondent or a diplomat, until I realized that you could do equally interesting work for a better crust as a lawyer.

CEELM: You certainly have a unique profile. How does your background help you in your current role?

Ed: Emerging markets deals have very similar issues wherever you do them. Is your client going to have enforceable rights if things go wrong, how are you going to structure around the legal weaknesses of the jurisdiction you are operating in, does your client understand things like exchange control restrictions and indigenization requirements? I now have 20 years of experience advising on these issues and have been through the optimistic highs and bitter lows of a full credit cycle, so hopefully I can continue

to bring that experience to bear in Africa, and also in India, another market on which I am focusing closely.

CEELM: Did any of your clients in Russia stay with you in South Africa? Were you able to maintain and leverage any of those relationships in your current role?

Ed: We opened Herbert Smith Freehill's office in South Africa in late 2015, and Russian clients have been either the biggest or the second biggest clients of the office for two of the years since. We have advised a number of Russian clients who are active on the African continent but we also work for Russian clients on deals which have no nexus to Africa at all. My Russian clients are always very smart in extracting value from their lawyers and some of them are wise to the fact that there is a cost-saving by using an English law deal team in South Africa with much lower charge out rates than they might get elsewhere.

CEELM: Do you or your colleagues in Johannesburg do any work with CEE, either in terms of outward investment from SA companies/funds or inward investment from clients from this part of the world?

Ed: In terms of outbound from South Africa, we have heard that there are a number of real estate players who have been buying assets in the CEE region, although we have not yet picked up any of that work. But in terms of outbound from the CEE region to Southern Africa, there have been some good opportunities and we have picked up our fair share of the work. For example, Norilsk has had mining interests in Botswana, VTB has been heavily involved in sovereign lending to Mozambique, Tatneft was looking at a refinery in Uganda, and Rosatom has been looking to build new nuclear plants all over Africa. So although CEE investment in Africa may not be as active as, say, Chinese investment in Africa, there is still plenty going on.

CEELM: How would colleagues describe your style?

Ed: The ones who get it: "Understated

and laid-back in a good way. Optimistic and entrepreneurial. Commercial. Collegiate." The ones who don't: "Far too understated. A deadline surfer. Always on a plane, never in the office. Unbelievably tightfisted with the BD budget."

CEELM: What differences stand out the most between the Russian and South African judicial systems and legal markets?

Ed: In terms of the legal market, I would say there is a world of difference. Russian deals are more frenetic and high pressure, with atrociously-demanding deadlines and too many late nights, but at the same time very adrenaline-driven and fun. My impression of deal-making in South Africa thus far is that the deals are just as complex and interesting, but they take much longer and the pace is more suited to marathon runners than sprinters.

In terms of judicial systems, there is also a great deal of difference. The South African judicial system is a mixture of English and Roman-Dutch law and its commercial courts have been developed over centuries, so if things go wrong you can be confident that your clients will have some recourse, whereas in Russia (and other CEE jurisdictions like Kazakhstan and Ukraine), I have always found the commercial courts to be very undeveloped and extremely poor at enforcing creditor and investor rights.

The common thing about both markets is that they are both full of incredibly bright young lawyers who want their law firms and their courts to operate to the highest international standards. I hope their aspirations are realized!

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

Ed: The most noticeable thing is when you get in the lift each morning. In South Africa, when you get in a lift, even a complete stranger will greet you with a smile and ask you how you are. If you did the same in a Russian lift, people would think you are barking mad.

CEELM: Do you ever go back and vis-

it Russia? What about the UK? Do you have any plans to move back?

Ed: I try to go back to Russia once or twice a year and in fact I was back for HSF's 20th anniversary party last week. We had 300 guests and hired a fantastic Russian rock band called Crematorium, which got all our clients dancing. I am also back in the UK very often and it will always be home, but am very happy to be sitting out Brexit for the moment.

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

Ed: I have had some very interesting times in Kazakhstan trying to recover eye-wateringly large sums of money for my clients from a recalcitrant oligarch. I enjoy Almaty's alpine feel and have always been shown great hospitality by the Kazakh lawyers we work with, although if I'm honest I would have preferred just slightly less of the horsemeat. I have also had some very enjoyable trips to Kyiv and enjoy the relaxed vibe that the city gives off. But the CEE country I want to visit most and have so far failed to get to is Romania. I have done a number of interesting Romanian deals and also have a number of good Romanian friends who have sold me on Transylvania and the Carpathians, so I must get there soon.

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

Ed: I think that because many of us grew up in the 1980's watching the township uprisings against the apartheid regime on our evening news bulletins, we have an impression of Joburg as a place of endless strife and dusty townships. But as all proud South Africans will tell you, Johannesburg is in fact an incredibly green city and is actually the largest man-made urban forest in the world. To get a view of all that greenery (and vast swathes of purple when the jacaranda trees are out in spring), the best place to take guests is sundowners at the Westcliff Hotel, which as its name suggests, is on the west side of the city and pretty much up a cliff.

David Stuckey

EXPAT ON THE MARKET: ANTHONY PAIZES OF HILL DICKINSON

Hill Dickinson Senior Associate Anthony Paizes is a solicitor admitted to practice in England and Wales, Greece, South Africa and the Cayman Islands. He practices in the areas of shipping and asset finance, corporate finance, private equity, banking, debt finance, and corporate and commercial law. He speaks English, Greek, and Afrikaans fluently. We reached out to him – in English – to learn more about his path from Africa to Athens.

CEELM: Where are you from in South Africa?

Anthony: I am from a small town east of Johannesburg called Benoni. Like Johannesburg, Benoni began life as a mining town in the late 1800s when gold was discovered in the Witwatersrand area and prospectors arrived from all over the world seeking their fortunes. My great grandfather and six of his brothers were among the many emigrants to arrive in Benoni from Europe after the first world war. My family remains in South Africa to this day. Today, Benoni is probably best known as the town where Hollywood actress Charlize Theron and Princess Charlene of Monaco were born and raised. Benoni is a picturesque little town (its myriad of mine dumps notwithstanding!) dotted with lakes and parks and teeming

with sports facilities and recreational areas. It was a great place to grow up.

CEELM: Run us through your background, and how you ended up in your current role with Hill Dickinson in Piraeus.

Anthony: After completing my legal studies at the University of the Witwatersrand in 1999, I commenced articles of clerkship at the well-known Johannesburg law firm Webber Wentzel Bowens. I was very fortunate to work with some of Johannesburg's finest corporate lawyers. They regularly acted for the South African giants of industry and commerce, such as Anglo American Corporation, De Beers, Johnnic Holdings, and multinationals such as Pfizer and Ladbrokes, to name a few. The firm's diverse clientele

meant that I was constantly learning new things both through the various stages of industry but also through different industry sectors. I soon came to realize that the common denominator to all the diversity I was seeing was the practice of corporate law, and it was at this time that I developed a real affinity for corporate work.

Shortly after being admitted to the practice of law in South Africa I emigrated to Greece and set about the task of requalifying in Greece. My first steps as a corporate lawyer in Greece came some two years later, working for a small corporate and banking law firm in Athens. I then moved to Ernst & Young – whose legal department was at that time headed by Stathis Potamitis – where I assisted mainly in corporate acquisitions and restructurings.



In the summer of 2008 I relocated to the Cayman Islands to work in the banking and asset finance department of the offshore law firm Appleby. Appleby has a substantial shipping practice and it was oddly through Appleby that I was introduced to the world of Greek shipping. The verdant and tranquil Cayman Islands are also the fifth largest financial center in the world and home to many of the world's leading hedge funds. During my time offshore, I gained a great deal of experience in working with funds and other investment vehicles, particularly for private equity interests active in the offshore oil and gas industry based in Houston

and regularly worked hand-in-hand with US counsel on complex cross-border transactions.

In late 2011 I returned to Greece (with my Greek wife and newborn son in tow) and began working as a ship finance lawyer, initially at Ince & Co, later with Norton Rose Fulbright, and then to HFW. My current role at Hill Dickinson came about as a result of a team move from HFW in 2018.

CEELM: Was it always your goal to work abroad?

Anthony: No. Like many South Africans, I felt compelled to leave South Africa due to the high incidence of violent crime and the indifference or inability of the government to deal with the massive social and economic problems being experienced there. As my roots are Greek, I decided to explore opportunities to return home to the motherland. While on such a trip I met a wonderful young woman (who is now my long-suffering wife) and, from that moment on, my odyssey came to an end and I had found my new home.

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

Anthony: My practice is an amalgam of corporate and commercial law on the one hand and ship finance on the other. As most of my early career was spent practicing corporate law, it was only natural for me to continue working in this area. My previous association with Ernst & Young has been very helpful to me in this regard and I am often instructed by former colleagues to advise on matters of English law in transactions involving Greek counterparties.

The other part of my practice involves banking and ship finance, acting for lenders and ship owners in connection with the financing of new and second hand ships. Hill Dickinson's clients are principally ship owners but also include banks, hedge funds, and other financial institutions.

CEELM: Are you able to leverage your background to obtain mandates from South African clients?

Anthony: Not really. I left South Africa as a newly-qualified lawyer without an established practice of my own.

While at Ernst & Young I acted for a syndicate of Greek banks who were restructuring the debt of the Petzetakis Group in Greece. The restructuring involved the divestment by the group of a subsidiary – the well-known South African construction and engineering company Murray & Roberts. That particular transaction was fraught with difficulties, both under South African law (competition law issues and exchange controls) and under Greek law (peculiarities in registering security and labor law issues). However, in that case my involvement in the matter was fortuitous.

That said, my dual qualification in Greece and South Africa means that I am familiar with legal concepts and the regulatory framework in both jurisdictions, which means that I am ideally placed to assist South African clients looking to invest in Greece, and vice versa. I often receive enquiries from old friends or former colleagues about purchasing a holiday home or updating old family records. However, at present I do not regularly act for South African clients.

CEELM: How would clients describe your style?

Anthony: I always try to be direct with clients and counterparties alike and to keep matters as simple as possible. In the corporate context this is not always easy, as often jargon is bandied about by the various parties to a transaction, often without having a clear sense of what is actually intended. In my negotiations and dealings with other parties I always try to explain the rationale for any points which might be contentious, so as to put the parties in the best possible position to understand the demands coming from the other side. This approach, I find, tends to assist in putting together deals, which is

ultimately the goal of the corporate lawyer. And, of course, I try to be polite and courteous at all times.

I would hope that my clients recognize all these traits and prefer to work with me for these reasons. However, to quote the memorable line uttered to the begging ex-leper from Monty Python's *Life of Brian*, "There is no pleasing some people."

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

Anthony: Nowhere are the differences between the two legal systems more vividly apparent than in the courts themselves. I will never forget the first time I walked into a Greek courtroom. The stern, penetrating gaze of the Christ "Pantokrator" depicted in the Byzantine icon hanging over the bench seemed to follow me everywhere I went. It gave me an eerie sense of being watched and I got the feeling that the day of judgement was nigh!

In the courtroom lawyers (clad in chinos and golf shirts) heatedly exchanged personal insults at one another, and the witness box was so close to the bench that at one stage the witness reached over and pulled on the judge's arm while chastising him for not paying attention to his testimony! The atmosphere in the courtroom was more akin to a busy marketplace and very far from the quiet and ordered courtrooms I had known in South Africa.

What strikes me as one of the greatest difference between the two legal systems is the manner in which pleadings are drafted. In Greece pleadings tend to be more like creative writing essays and they resemble witness statements. They tell the plaintiff's or respondent's story, usually in dramatic fashion, and pleadings tend to be cluttered with irrelevant information if it improves the story. Pleadings are also often littered with various colors, bold and underlined text and excessive punctuation!!!!!!!!!!!!!! It certainly keeps

matters interesting, but I often wonder whether streamlining the pleadings would assist in producing more efficient courts in Greece.

There are obviously a great deal of differences between a continental style legal system as in Greece and the common law legal system with which we are familiar in the UK. That said, many of the concepts are similar and in many cases, the legal systems tend to deal with similar concepts in similar ways.

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

Anthony: Although of Greek descent, most Greeks are able to pick up on my strange accent and conclude that I am a foreigner. Most Greeks will then offer to speak to me in English and enquire about my background. I have found the vast majority of Greeks to be polite and helpful and "filoxenoi" – which refers to the ancient Greek concept of showing hospitality and courtesy to those who are guests or far from home.

I also find that Greek daily life is heavily imbued with influences from Christian orthodoxy – church bells noisily announce the start of hundreds of Christian holy days and feasts throughout the year (maddeningly early on weekends), and Wednesdays and Fridays are fast-ing days for many. A headache is also a sinister thing in Greece – as I have now learned – it is commonly thought to be evidence that someone envious of you has cast "the evil eye" upon you. The cure, which many Greeks will swear by, is to perform a cathartic ritual involving rapid spitting. If someone tells you he/she has been set upon by the evil eye, make sure you stand clear, as the sputum will surely fly!

CEELM: How often do you get home? Do you have any plans to move back to South Africa?

Anthony: Not often enough I'm afraid. The last time I visited South Africa was around seven years ago. Sadly, as much

as I would love to return, I fear that the reasons for my leaving are still very apt. So, for me at least, a return home is not currently an option.

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

Anthony: I have not managed to travel regularly to CEE countries for leisure. I have visited Poland (Warsaw), Bulgaria (Sofia), and North Macedonia (Skopje) on business fairly often and would have to say that, of the three, Poland would be my favorite destination. I found the picturesque Old Town of Warsaw to be a fascinating place to explore, both architecturally and culturally, and it's filled with old churches, cathedrals, parks, restaurants and galleries to visit.

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

Anthony: My favorite place in Athens has to be the Plaka, which is nestled just below the Acropolis. It is one of the oldest parts of the city and most of its roads have been paved and are closed to traffic (although this does not mean that you won't see cars driving on the roads). Wandering around the old cobblestoned roads of the Plaka is more reminiscent of a Greek island than the city center. The Plaka is a vibrant, bustling neighborhood filled with tourist shops, jewelry stores, restaurants, and cafes, while its main street is lined with street musicians and artists, coin and stamp collectors, and street food vendors. The Plaka is also home to the old Cine Paris, an outdoor movie theatre perched on a rooftop with a view of the Acropolis. There are a number of archeological sites to visit around the Plaka, including the Acropolis, the Temple of Thesion, the Herodian Theatre, the old Greek and Roman agora, Hadrian's Library, the Tower of Winds, Hadrian's Arch, and the Temple of Zeus. The place is simply magical and no matter how many times I visit, I can't seem to get enough.

David Stuckey

THE SOUTHERN AFRICAN DEAL LANDSCAPE

Lawyers get a helicopter view of the deal-making environment, as we have access to various sub-sectors within the private equity space and the general mergers and acquisitions deal-making space. We have access to large corporates, family offices, PE funds, and some pretty savvy transactors.

From my perspective, there are two sources of deals: financial investors and corporates buying and selling. Research shows that over the last ten years, South African corporates have accumulated close to ZAR 1 trillion in cash on balance sheets. These corporates can do two things with this: (i) give it back to shareholders (for some reason, Chief Executive Officers are reluctant to do this), or (ii) spend the cash on investments. At the same time over the last ten years we have had a great amount of political uncertainty in South Africa – our economy has shrunk as result. We have had uncertainty in the mining sector and in the tax regime and there has been no clarity on policy – not to mention our growing electricity crisis, which actually started in 2008. All this has caused a great amount of panic, leading to a gradual decline in deal-making activity.

The *big* deals, as we once knew them, are simply not there. However, we do have a few large cap deals to talk about, including: (i) Woolworths' 2014 acquisition of Australia's David Jones; and (ii) the 2016 Mediclinic/Al Noor deal (in which South Africa's Mediclinic private hospital group agreed to buy UAE-based Al Noor for ZAR 1.4 billion). Both deals have turned out to be rather disappointing, as Woolworths' share price has dropped and

Mediclinic is now worth half of what it was worth then. Famous Brands' 2016 acquisition of Gourmet Burger Kitchen also disappointed, and with it went a darling of the Johannesburg Stock Exchange. These were outward-facing South African deals. Other than the 2016 SAB Miller/Anheuser-Busch Inbev merger (with a USD 107 billion value) we have not seen any significant inward deals in the last five years. A current on-going large deal is Pepsi's proposed acquisition of Pioneer Foods – this will be one to watch. Otherwise, there haven't been many significant inward investments from Europe.

Private equity is a subset of the general deal-making category – and African private equity has also not performed well over the last decade. My conversations with funds and private equity transactors have revealed that portfolio company profits are down 50% in some instances, and the deals that are happening are happening because capital must be deployed (or lost) – as mandates are coming to an end, disposals must therefore be done.

There is still some activity though; it's not all doom and gloom, as all the afore-going points to this being a buyers' market. There are still deals to be done and the hot sectors are (i) Telecomms, (ii) Education, (iii) Services, and (iv) Agribusiness. The hot jurisdictions in Africa are Southern Africa, and West and East Africa.

Intel in the industry suggests that fund raising is not so easy at the moment. Even the royalty of South African funds are struggling somewhat to raise capital as dollar returns in African investments are not attractive. This is directly linked to



our political climate and policy issues as well as the volatile rand (which has halved in value since 2012).

Black Economic Empowerment legislation – legislation enacted to redress the economic impact of Apartheid on Black South African citizens – continues to play a major role in deal-making in South Africa across sectors and is a foreign concept for foreign investors, so there is an extra hurdle to get foreign investors excited about investing in South Africa. It is, however, a fundamental imperative which has become part of our landscape.

The outlook is not ideal, as assets are in pain. However, the strong and patient will survive. In order to survive in this shrunken economy, one must be brave, patient, and hardworking. The assets are not going to work for investors unless investors roll up their sleeves and get into the trenches and make the assets work for them. Specialist funds are on the rise and are making a mark – and will continue to make their mark in their niches. Deals will definitely happen where the opportunities lie, though, and I remain cautiously optimistic. The next two years remain critical for South Africa and the deal-making environment.

**Lydia Shadrach-Razzino, Director,
Corporate Commercial, ENSAfrica**

SOUTH AFRICAN CAPITAL CONTINUES TO COURT CENTRAL AND EASTERN EUROPE

Over the past few years we have seen a sustained interest by South African companies in investing in Central and Eastern Europe. I travel to the region regularly and am often asked to explain why this is so. In particular, what are the drivers of capital outflow and what opportunities does this present for CEE-based businesses?

A true understanding of this trend is not complete without appreciating the role of the South African property sector. In particular, the listed property sector.

REITS, or real estate investment trusts, have become an extremely attractive model for property investment in South Africa since 2013. The largest of the REITS are listed on the JSE – the primary South African stock exchange based in Johannesburg – and through their listings they provide a platform for South African institutional investors to gain investment exposure to property.

The listed property sector, especially retail property, has been one of the most successful investment stories in South Africa. Perhaps too successful. The local property market arguably became oversold earlier this decade. In order to meet investor demand, South African property counters looked offshore to expand. In doing so, they have found fertile ground in CEE, in countries like Poland, Romania, the Czech Republic, Hungary, Slovakia, Serbia, Croatia, Slovenia, Montenegro, and Macedonia.

For South African corporates, CEE is an attractive investment destination for a number of reasons; the most important being that the cost of borrowing in Europe is at historic lows and the region as a whole is on a stable growth trajectory, which appears to be remarkably resilient to global geo-political and financial shocks, and which can be attributed to an

expanding and aspirant middle class and a manufacturing and service economy set on meeting the demands of the economies in Western Europe. All of which has been carefully encouraged, save for some notable exceptions, by a framework of pro-growth economic policies.

For South African investors, though, there has been an added benefit, namely a hedge to the rand, the South African currency. South African companies that went into the region early have done incredibly well, with returns amplified by the rand's deterioration over the past few years.

Historically South Africa's capital control policy limited local investment houses and institutional investors from directly investing more than 25% of their managed funds outside of Africa. This effectively created a hothouse environment in South Africa where institutional capital was trapped on-shore.

Yet the demand for foreign exposure grew, especially in light of concerns about a declining economy and depreciating currency in South Africa. So South African financial institutions found other ways to diversify offshore, albeit indirectly. For one, they invested in South African public companies with large foreign businesses. The JSE also offered a number of secondary and dual listed securities on its exchange. Investments would be made directly into securities in South Africa but the underlying businesses could be based abroad. This effectively allowed institutional investors an indirect route offshore. With the result that CEE-based companies such as Echo Polska Properties and Globe Trade Centre SA could successfully tap South African equity capital flows.

After the initial success of the property investments in CEE, it was only natural that some of their retail tenants in South



Africa would follow their trail. And some of South Africa's largest retail businesses, such as Pick n Pay (arguably South Africa's version of Tesco) and value retailers such as Pep Stores and Mr Price, have duly followed the property pioneers into CEE.

Of course, this region is not without its challenges. But contrasted with the risks of doing business in Africa, South African investors are perhaps more at ease in CEE than investors from developed markets.

Experience has shown, however, the benefits of having the right local partners when entering CEE. The right joint venture partner coupled with experienced advisors can mean the difference between success and failure. We've certainly seen the advantage of our Linklaters alliance and our affiliation with CEE-focused Kinstellar, both of which are on the ground in the region.

Having a trusted partner in your corner not only eases the wheels of transacting across borders and cultures, but also ensures speed of execution – which is vital if opportunities across all sectors are to be explored. Getting to the heart of those opportunities quickly and effectively will come down to networks and a knowledgeable ear to the ground.

**Kevin Hillis, Partner,
Webber Wentzel**

CLIMATE CHANGE INCREASINGLY EMERGING AS A LEGAL LIABILITY RISK FOR LENDERS IN SOUTH AFRICA

Legal liability for climate change is an emerging risk for lenders in South Africa – a risk that is by no means limited to projects in the fossil fuel industry.

The exposure goes beyond coal and extends to every industry that produces greenhouse gas (GHG) emissions.

Just a few examples of industries other than coal and oil and gas where GHG emissions potentially open lenders up to this emerging risk are cement production, automotive manufacturing, and electricity generation.

The increasing importance of climate change in financial markets globally can be seen in banks reducing their exposure to certain industries, together with an upward trend in climate change-related insurance claims.

In some instances, climate change risk has resulted in delays in reaching financial close, as seen in South Africa with Thabametsi, the controversial new coal-fired power plant earmarked for the Limpopo Province. The project has been dogged by funding problems and legal challenges.

All the country's major banks have already publicly stated their positions on the funding of new fossil fuel projects, and pressure for climate change action and greater disclosure appears to be spreading and intensifying.

There has been intense lobbying for a comprehensive climate change law in South Africa and a rise in the challenging of licensing decisions by the authorities.

Shareholder Activism on the Rise

South Africa has also witnessed an increase in shareholder activism around climate change. In 2017/ 2018, shareholders of two major corporates pushed for resolutions requiring greater disclosure from the organizations about their involvement in fossil fuels and climate change risk exposure.

Such resolutions have so far failed to attract sufficient shareholder support to pass, but it is not inconceivable that dissatisfied shareholders might look for alternative ways to challenge companies on climate change in the future.

Other drivers are growing investor consciousness over climate change as an emerging risk and concern about potential reputational harm. Because of the danger of reputational harm, companies may be more likely to agree to climate change concessions even if the criticism is not well-founded.

On the other hand, climate change activists could encounter difficulties in trying to prove that a project is contributing to climate change. Legal claims for damages have failed in America and Germany because claimants were unable to prove a causal link.

Causal Link Hard to Prove – For Now

Causation may be a limitation. It may be difficult to determine how a particular project contributes to the country's or the global concentration of GHGs. However, that could be temporary. There may come a certain point in time when the evolution and scientific advances could



tip the scales.

This has already happened in the tobacco and asbestos industries, where causation has become so well established that it is no longer necessary to prove a particular company's products have caused harm.

Not all climate change litigation in the future will be doomed to failure though. It will become increasingly critical for lenders to manage the potential risk of climate change exposure by implementing internationally accepted mitigation measures, including the adoption and application of so-called "Equator Principles" for assessing and managing environmental and social risk in projects, the voluntary disclosures of the Task Force on Climate-Related Financial Disclosures, and the Environmental and Social Performance Standards of the International Finance Corporation.

The more effort corporations make to adopt and apply prudent practices to managing environmental and social risks, the better they will be able to manage their potential exposure. Corporates should continue with GHG-mitigation measures and seek out opportunities to increase the effectiveness of these measures.

**Wandisile Mandlana, Partner,
Bowmans**

THE MAIN PULL FACTORS FOR SOUTH AFRICAN INVESTORS IN CENTRAL AND EASTERN EUROPE



Central and Eastern Europe has attracted significant interest from South African investors in the last decade, in a wide range of sectors, including healthcare, retail, FMCG and real estate.

Property in CEE seems to have been the biggest investment market for South African investors. South African property investors, including Real Estate Investment Trusts (REITs), have traditionally favored domestic real estate deals. However, many of South Africa's major real estate property investors have sought to diversify their portfolios and have looked to CEE to satisfy their appetite for yield-enhancing assets.

The interest shown by South African investors in CEE can be attributed to various internal and external factors.

As a starting point, South Africa applies

a strict exchange control regime. In brief, South African investors must obtain exchange control approval for their investments outside of South Africa. Fortunately, the exchange control regime has been streamlined to facilitate legitimate cross-border investments with minimum red tape. Technically, exchange control approval must be granted by the Financial Surveillance Department (FSD) of the South African Reserve Bank. In practice, the large commercial banks have been appointed as "Authorized Dealers" and have the authority to process cross-border investments without reference to the FSD, provided that the prescribed requirements are satisfied. Companies are permitted to transfer up to ZAR 1 billion (USD 70.3 million) per calendar year for "foreign direct investment purposes" or "foreign portfolio investments." Additional amounts may be invested with

the approval of the FSD. Institutional investors are permitted to hold a certain percentage of foreign assets in their portfolios. This has resulted in South African investors being very selective about their cross-border investments.

On June 10, 2016, the European Union and six members of the Southern African Development Community, including South Africa, signed an Economic Partnership Agreement (EPA). It is expected that this EPA will contribute significantly to the promotion of investment flows between South Africa and the EU once it comes into effect.

It is well-known that South Africa has



been buffeted by the winds affecting emerging markets. South Africa is beset by a volatile currency and is perceived as having an unstable political and economic climate. These factors contribute to South Africa being perceived as an increasingly risky investment environment, which has seen some of South Africa's major investors, particularly property and retail investors, look to CEE. The conduct of the South African government has done little to effectively allay these perceptions. Notwithstanding the above, there are many common emerging market factors shared between South Africa and CEE. As a result, certain South African investors find CEE more attractive from the perspective of being familiar with some of the features of the business and economic environment. In particular, low international competition in CEE markets allow South African investors to



invest meaningfully and grow organically, which South African companies find increasingly difficult in more developed markets.

Generally, the CEE region represents an attractive risk-reward profile, and with the limited competition and lower funding costs in CEE markets, the region is a more enticing destination than markets such as the UK, and even South Africa, where property yields for prime assets are unlikely to match the cost of debt funding.

JSE-listed REIT's are finding worthwhile opportunities in CEE's markets. As much as 40% of this sector's investments are

offshore – and half of that is in Eastern Europe.

This is due to varying factors, which include low interest rates, high yields, and the fact that CEE's economies have outpaced the more traditional European powerhouses (*i.e.* the United Kingdom, Germany, and France) in recent years. CEE countries such as Poland, Czech Republic, Romania, and Slovakia have experienced steady GDP growth in recent times. In 2017, Romania was the fastest growing economy in the European Union with an estimated GDP growth rate of 6.4 per cent.

In addition, favorable macroeconomic factors in most of CEE (such as the rate of unemployment, public debt-to-GDP ratio, and a rise in the minimum wage level) translate to CEE being a region with consumers having more disposable income and thus contributing to a larger financially inclusive population. The investment potential of CEE is further enhanced by the highly-educated population, and relatively lower levels of inequality (as compared with South Africa). There has been a recent spike in foreign investors exploring CEE opportunities in the healthcare, retail, and FMCG markets. In South Africa, retail markets have tended to outperform assets in other classes. In countries with a less mature retail industry, this sector remains very attractive for South African investors, and we have seen several South African retailers pursuing opportunities in CEE. This is likely to increase in the foreseeable future and it comes as no surprise that approximately EUR 3 billion was invested in the Traditional Shopping Center segment in CEE in 2016.

With the current investment climate in South Africa, South African investors will continue to view CEE as a favorable investment decision as long as investment fundamentals can be met.

**Shahid Sulaiman, Partner, and
Aabeed Abdullatief, Associate,
Dentons South Africa**



FAR AWAY, AND RIGHT NEXT DOOR: SOUTH AFRICA/CEE DEAL REVIEW

Over the years, CEE Legal Matters has covered a large number of deals involving South African investors (as well as two deals involving CEE-based investors looking south), demonstrating the extent of South African interest in CEE, and reflecting the exciting opportunities that exist in this part of the world for investors with their antenna pointed in the right direction.





Romania: Biris Goran advised Austria-based Raiffeisen Evolution on the EUR 148 million sale of its flagship development, the Promenada Mall, to South Africa's New Europe Property Investments. Biris Goran described the deal as “the largest transaction on the Romanian real estate market in 2014 and one of the largest transactions ever in the country.”

November 17, 2014



Ukraine: Sayenko Kharenko advised MIH Allegro, part of South Africa's Naspers media corporation, on its acquisition of *torg.ua* – Ukraine's leading classifieds ads site – from Avito Holding. Egorov Puginsky Afanasiev & Partners acted as Ukrainian legal counsel to Avito Holding on the deal.

May 19, 2015



Hungary: Dentons advised South African integrated discount retailer Steinhoff International Holdings on its acquisition of a 50.8% majority stake in Hungarian e-commerce company Extreme Digital, and Wolf Theiss advised Extreme Digital.

December 21, 2015



Serbia: Wolf Theiss Belgrade advised Atterbury Europe – part of South Africa's Atterbury Group – on its acquisition of a one-third stake in a EUR 259-million gross asset value portfolio of seven Serbian shopping centers from MPC Properties. The portfolio included the country's largest mall, the Usce Shopping Center, in Belgrade. In addition, the parties seeded a 50/50 development fund to develop a pipeline of retail real estate assets in Serbia and neighboring countries in the Balkans.

December 23, 2015



Germany: White & Case advised Super Group Limited – a transport logistics and mobility group listed on the Johannesburg Securities Exchange – on its acquisition of the IN tIME group from funds advised by Equistone Partners Europe, in a deal that valued the company at EUR 153.5 million. Equistone was advised by P+P Pollath + Partners. is IN tIME is headquartered in Germany and has branches in Germany, Sweden, Hungary, Romania, the Czech Republic, and Poland and operates across 13 additional countries in Europe in the niche logistics sector of time-critical delivery services, predominantly servicing the automotive industry.

July 15, 2015



Russia: White & Case advised South Africa's Naspers Limited Internet and media company on its USD 1.2 billion investment in Avito, the leading online classifieds platform in Russia. Naspers bought shares from existing shareholders to increase its stake in Sweden's Avito AB holding company from 17.4 percent to 67.9 percent. Ashurst advised Avito on the matter.

November 3, 2015



Poland: Kochanski Zieba & Partners in Poland, Cliffe Dekker Hofmeyr in South Africa, and Pinsent Masons in the UK advised South Africa-based real estate investment trust Redefine Properties Limited on its acquisition of 75% plus one share of the issued share capital of Echo Prime Properties B.V., which owned a portfolio of prime real estate assets throughout Poland. The seller was advised by Weil, Gotshal & Manges.

March 2, 2016



Romania: Voicu & Filipescu advised Bel Rom Twelve on the sale of 12 of the 22.5 hectares of land it owned in Ramnicu Valcea, Romania, to South-Africa's New Europe Property Investments, marking the third sale of real estate by the Bel Rom group to NEPI. Reff & Associates — a member of Deloitte Legal — advised NEPI on the deal.

April 1, 2016



Romania: Bondoc & Asociatii assisted eMag – a Romanian IT&C retailer funded by South Africa’s Naspers – on its acquisition of Romania’s PC Garage online IT and electronics retailer.

April 22, 2016



Slovenia: Jadek & Pensa advised South Africa’s Greenbay real estate fund on its acquisition of the Planet Tus Kuper shopping center from Tus Nepremicnine, the real estate company of the largest Slovene retailer, Tus. ODI Law advised the sellers on the deal.

July 7, 2016



Poland: Wolf Theiss advised South Africa’s Ascendis Health on its EUR 170 million acquisition of a 100% stake in Scitec Nutrition sports nutrition producer from the Polish Enterprise Fund VII, a private equity fund managed by Enterprise Investors. Dentons advised the sellers.

August 31, 2016



Poland: Deloitte Legal advised Coast2Coast Capital on the acquisition in liquidation bankruptcy by Krosno Glass sp. z o.o., a Warsaw company Coast2Coast had set up, of the Krosno S.A. glassworks. Dentons advised Coast2Coast on the underlying financing from Bank Zachodni WBK S.A. and ING Bank Slaski S.A., and Clifford Chance Warsaw advised the banks on the financing.

October 10, 2016



Poland: Allen & Overy advised Naspers on the sale of the Allegro Group, the largest online marketplace and non-food shopping destination in Poland, to a consortium of funds consisting of Cinven, Permira, and Mid Europa. Clifford Chance advised the buyers on the USD 3.253 billion deal.

October 20, 2016



Montenegro and Serbia: Harrisons advised Homestead Group Holdings Ltd. and South Africa's Hyprop Investments Ltd. on their acquisition Delta Real Estate's ownership quota in companies that own and operate the Delta City Shopping Malls in Belgrade (Serbia) and Podgorica (Montenegro). JPM advised the sellers on the deal.

February 12, 2016



árukereső.hu

Hungary and Romania: Allen & Overy advised Naspers on its sale of the Arukereso.hu, Compari.ro, and Pazaruvaj.com comparison shopping engines to the Rockaway Group. Dentons advised the buyers on the deal.

December 29, 2016



Austria, Hungary, and Slovakia: Partos & Noblet, the associated Budapest office of Hogan Lovells, working with Grama Schwaighofer Vondrak Rechtsanwälte in Austria and Rowan Legal in Slovakia, advised South Africa's JSE-listed Accelerate Property Fund on the EUR 82.1 million acquisition and financing of a portfolio of nine retail warehouse properties in Austria and Slovakia tenanted by OBI subsidiaries from the Supernova Privatstiftung group. Supernova was advised by Dorda and Cechova & Partners.

January 11, 2017



Romania: Schoenherr assisted on the creation of a 50/50 partnership between the Iulius Group, the developer and operator of the Iulius network of shopping malls, and Atterbury Romania, part of South Africa's Atterbury Group.

June 21, 2017



Austria: In a rare outward investment from a CEE-based company into South Africa, CMS and ENSafrica advised ALPLA, an Austria-based worldwide provider of plastic packaging, on its agreement to acquire Johannesburg-based Boxmore Packaging.

July 12, 2017



Bulgaria: Boyanov & Co. advised UK Hystead Limited -- a subsidiary of South African Hyprop Investments Limited (60%) and PDI Investment Holdings Limited (40%) – on its EUR 156 million acquisition of The Mall, the second biggest shopping center in Bulgaria. Specifically, UK Hystead Limited acquired 100% of Bulgaria's AP Retail I Limited from Cypros Fortone Holdings Limited. Dinova Rusev & Partners Law Office advised the sellers on the deal. The purchase represented Hyprop Investments Limited's first investment in the European Union.

July 27, 2017



Poland: CMS advised South African investment fund Coast2Coast on its acquisition of Wielkopolska Wytwarznia Zywnosci Profi – a manufacturer of pâtés and soups sold under the Profi brand. PwC Legal advised Profi on the deal.

October 30, 2017



Poland: Gessel advised Coast2Coast on the acquisition of Polish gluten-free manufacturer Bezgluten by its Bounty Brands food division from owner Mariusz Koczwar. Squire Patton Boggs advised Koczwar on the deal.

November 17, 2017



Ukraine: Avellum and White & Case advised Coast2Coast on the acquisition by its Bounty Brands food division of Poland-based Stella Pack, a major manufacturer and distributor of household products.

November 17, 2017



Poland: Dentons advised Coast2Coast on the acquisition of the Unitop group, a Polish manufacturer of sesame snaps, halva, and other confectionary products and snacks, by its Bounty Brands food division. SSW advised the sellers on the deal.

November 23, 2017

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Austria: Brandl & Talos advised Aphria Inc., a Canadian medical cannabis company listed on the Toronto Stock Exchange, on the forming of a joint venture with South Africa's Verve Group of Companies. As part of the transaction, the new entity, CannInvest Africa Ltd, acquired an interest in Verve Dynamics Inc., a licensed producer of medical cannabis extracts in Lesotho. The Verve Group was advised by Spoor & Fisher.

June 6, 2018



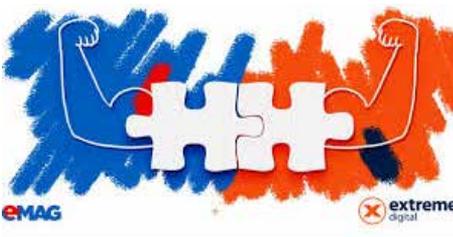
Bulgaria: Kinstellar advised Lion's Head Investments, a joint venture between the Bulgarian real estate holding AG Capital and South Africa's Old Mutual Group, on acquisition of Megapark, a 75,000 square meter office building in Sofia, from Austria-based funds Universale International Realitaten, CA Immo International Holding, and CEE Realty Beteiligungs. CMS advised the sellers on the deal.

August 9, 2018



Russia: In another outward investment, DLA Piper advised TMH Africa – a subsidiary of Transmasholding, the largest manufacturer of rolling stock in Russia – on the acquisition of a 45,000-square meter DCD Rolling Stock manufacturing facility in Boksburg, South Africa, from the DCD Group.

December 5, 2018



Hungary: Allen & Overy and DLA Piper advised Naspers on the merger of its eMAG Hungary subsidiary with Hungarian online consumer electronics retailer Extreme Digital. Dentons advised Extreme Digital and its shareholders on the deal.

March 26, 2019



Romania: Bondoc & Asociatii advised eMag on the creation of a European on-line interface that connects participating marketplaces.

October 10, 2019

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



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