

LEGAL UPDATE

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BALTIC LAW FIRM OF THE YEAR*

*Awarded by:
Financial Times & Mergermarket (2008)
International Financial Law Review (2009)
PLC Which lawyer? (2009)

Dear Readers,

The present banking and economic crisis has affected many businesses in the Baltic States.

Significant changes are evident in relations between creditors and debtors. Banks are decreasing funding, increasing interest rates, and imposing more stringent requirements on further funding. Debtors are seeking longer terms and paying later, while suppliers are insisting on prepayment. When companies experience serious difficulties, this calls for careful review of short- and medium-term strategies and adaptation to reality. In our work, this means a rapid increase in cases of debt collection, insolvency, and restructuring.

Sorainen offices are also changing. In each of our offices, we have formed Restructuring & Insolvency practice groups, bringing together lawyers who are ready to assist clients in corporate restructuring or other insolvency-related cases. Our teams are led by Karin Madisson in Estonia, Ģirts Rūda in Latvia, Laimonas Skibarka in Lithuania, and Maksim Salahub in Belarus. Additionally, we are involved in several larger cases, for example, representing state interests in the Parex banka case, the first financial institution bailout case in the Baltic States caused by the present global financial crisis. Moreover, our offices are actively organising seminars on insolvency and restructuring and giving presentations on these topics; our home page contains information for those who wish to participate.

As optimists we see these challenges also as an opportunity to review present activities more thoroughly, to give up non-core business operations, and to improve financial discipline. That is, to develop activities previously neglected but which could enable crisis survival and strengthening. Let's find solutions together!

Yours sincerely,

Ģirts Rūda
Partner, Head of Sorainen regional Restructuring & Insolvency team



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Electronic voting for shareholders soon possible

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Lithuania

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Belarus

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Sorainen News

Sorainen – among the leaders in Europe

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ESTONIA

CONSTRUCTION

Significant changes in the Estonian Building Act

New wording of the Building Act entered into force on 1 May 2009. The new act regulates procedures for construction, application for permits, and authorisation for use. The new regulation places new obligations on supervisory officials and new penalty payment amounts.

Under the new act, a building must be not only in accordance with design documentation but also may not adversely impact the surroundings, third persons, or buildings on neighbouring land plots. This means that it is easier to interrupt construction. This can be avoided by using the best available technology and working processes. This must be shown when applying for a building permit.

After 1 May 2009, a building permit can be applied for only by the owner of the land plot. The building must be constructed according to the design documentation to avoid suspension or revocation of the building permit. The owner of the land plot must apply for a new building permit if the building is not constructed according to the permit issued or if the owner of the building wants to change the building during construction. If a new permit is not applied for, authorisation for use is not granted. If the building does not comply with the design documentation, the municipality must give a deadline for eliminating defects before authorisation for use is issued.

If the land plot owner does not eliminate defects, the municipality officer or Estonian Technical Surveillance Authority may impose a penalty payment of up to EEK 100,000 (EUR 6,390), and if this does not lead to the desired lawful outcome it may result in demolition of the building. The penalty payment can be imposed repeatedly, and the building has to be demolished only when no other course of action is available against unauthorised construction. The decision to demolish a building is made by the municipality.

The new wording of the Building Act also imposes new obligations on competent authorities and clarifies the division of responsibilities between them (e.g. construction supervision authority, construction company, design company, supervisory officials, land plot owner).

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ENVIRONMENT

Changes to forestry management regulation in Estonia

The new Forestry Act entered into force on 1 January 2009, changing the principles for authorising cutting and giving out forestry management plans.

A forestry management plan is no longer compulsory, but the state will compensate the forest owner for the costs of compiling the plan. Collecting information for a forestry management plan is not significant in the field of forestry survey and management planning but is needed to organise the forest inventory. From now on, the forest owner has to carry out a forestry inventory. The forest inventory programme is compulsory where the forest owner wants to carry out regeneration cutting, selection cutting, or thinning on a land plot bigger than two hectares. The inventory should be carried out by the forestry organiser if this is approved by the forest owner.

In the case of cutting, the forest owner must file a forest notification with the Environmental Board as to the amount of forest to be cut, together with a forest renewal plan. In addition, the forest owner must file notification to liquidate lesions in the forest within a reasonable time. The Environmental Board will approve the forest notification within fifteen days. Renewing and cutting is allowed within one year after Board approval. Collection and transportation of timber can also be carried out for up to and even after one year from the forest notification.

Under the new Forestry Act, the cutting area is set very precisely and distinguishes between categories of timber. The area of clear cutting may not exceed seven hectares and includes cutting areas on neighbouring land plots.

New REACH fines applied in Estonia

Amendments to the Chemicals Act entered into force on 27 February 2009 (regarding EC Regulation No 1907/2006, Registration, Evaluation, Authorisation of Chemicals, REACH). These determine national supervisory authorities, fines, and institutions that are competent authorities under REACH and their functions. REACH regulates registration, evaluation, and authorisation of chemicals imported, exported, or produced in the European Union.

In Estonia, REACH supervisory authorities include the Estonian Technical Surveillance Authority, the Rescue Board, local rescue service agencies, the Labour Inspectorate, the Environmental Inspectorate, the Consumer Protection Board, and the Health Protection Inspectorate. In Estonia, the penalty for infringing a REACH obligation is up to EEK 18,000 (EUR 1,150) for private persons and up to EEK 350,000 (EUR 22,370) for legal persons. Criminal liability still applies for infringing chemical handling or polluting the environment.

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COMPANY LAW

Electronic voting for shareholders soon possible

On 23 April 2009, the Parliament initiated proceedings on a new draft law regarding changes to the Commercial Code and related acts deriving mainly from implementation of the Shareholders Rights Directive (Directive 2007/36/EC). Though the Directive is addressed to companies listed on the regulated market, the draft law also substantially transposes those rights to non-listed limited liability companies.

Fundamental changes to the existing law include rights for shareholders of public and private limited companies to participate and vote at the general meeting *in absentia* and by electronic means if the bylaws of the company so provide. The company must assure authentication of shareholders in electronic voting, and participation purely by video-conferencing is not sufficient.

Additionally, the draft law introduces further requirements for convening the general meeting and information thereon, to indicate (besides the time, place, and agenda) the place where shareholders can familiarise themselves with documents, proposals, and draft decisions of agenda items and other relevant information related to the general meeting.

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EMPLOYMENT LAW

Change to regulation on compensation for sickness

From 1 July 2009, the regulation regarding compensation for sickness leave is amended. The first three days of sickness leave are not compensated. From the fourth to eighth day, compensation is paid by the employer. From the ninth day, compensation is paid by the Estonian Health Insurance Fund. Compensation amounts to 80% of average salary.

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COMPETITION

New leniency programme expected this summer in Estonia

The Estonian Parliament is preparing several legislative amendments with the aim of boosting the battle against cartels and other serious infringements of competition law. A clearer leniency system will be introduced in combination with stricter penalties for cartels.

In Estonia, cartels are considered criminal. In the case of private persons, a court may apply a ban on business for up to five years. In the case of legal persons, a fine of up to 10% of annual turnover may be imposed. The fine is capped at EEK 250 million (EUR 16 million).

In combination with stricter penalties, a leniency programme will be introduced. To be eligible for leniency, the undertaking must be the first to file a leniency application including information enabling the Prosecutor's Office to commence criminal proceedings. Alternatively, if criminal proceedings are already under way, immunity is granted to the undertaking that is the first to file a leniency application with evidence enabling the Prosecutor's Office's to bring charges against other cartel members.

If a leniency applicant is not the first or if the evidence filed is not decisive in commencing criminal proceedings or bringing charges, the fine will be reduced proportionally to the extent the evidence provided is helpful in the criminal proceedings. Penalties are not reduced where the conditions for applying for leniency are not met, for example, if the applicant is the initiator of a cartel.

The changes to the Competition Act concern filing a leniency application with the Competition Board and the conditions attached to leniency. A legal entity applying for the leniency programme must include in the immunity application: (1) the name and contact details of the applicant; (2) the other parties in the alleged cartel; (3) a detailed description of the cartel, including the affected products, territories, duration, and nature of alleged cartel conduct; (4) evidence of the alleged cartel; (5) information on leniency applications filed with other authorities. In order to meet the conditions attached to leniency, the applicant must cooperate fully, in good faith, on a continuous basis, and at its own expense with the investigating authorities and the Prosecutor's Office. In addition, the applicant must neither have coerced other undertakings to participate in the cartel nor have been the initiator.

The new leniency programme is a welcome change in Estonia's fight on cartels. Although existing laws enabled the authorities to reach goals similar to leniency even before the amendments, the rights of applicants are made much clearer under the amendments. Experience has shown a rapid increase of applications after similar programmes have been introduced in other countries. Estonia might see a similar rush of applications once the amendments enter into force.

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ENERGY

European Parliament supports new rules to strengthen the EU internal energy market

On 22 April 2009, the European Parliament voted to support new rules to strengthen the EU internal energy market. The new rules are expected to enter into force in September 2009.

Key objectives of the new legislative package include:

- strong obligations on Member States to protect energy consumers;
- opening the energy market in a manner not detrimental to vulnerable customers;
- implementation of intelligent metering systems with a target of 80% of the population to be covered by 2020;

- ensuring proper regulatory oversight.

The new rules are made up of five separate legislative texts:

- Regulation establishing an EU Agency for the cooperation of National Energy Regulators;
- Electricity Directive replacing Directive 2003/54;
- Gas Directive replacing Directive 2003/55;
- Electricity Regulation replacing Regulation 1228/03;
- Gas Regulation replacing Regulation 1775/05.

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DISTRIBUTION AND TRADE

Fundamentals of the Civil Code amended

On 25 February 2009, the Estonian Parliament adopted amendments to the General Part of the Civil Code Act and the Law of Obligations Act. The main purpose of the amendments is to reduce the interest rates at which credit providers issue short-term loans or credit to consumers.

However, the amendments go much further than merely controlling certain terms in consumer credit agreements. The legislator has made a fundamental change by choosing an approach whereby any agreement is void if concluded under gross disparity. Previously, such transactions had to be cancelled and were not void, so the result is a reversal of the burden of proof in case of dispute. A transaction is now contrary to good morals and thus void if a person enters into the transaction under extremely unfavourable conditions or if the mutual obligations are grossly disparate and if upon entering into the transaction the other party (the credit provider) was aware of that person's urgent needs, dependence, inexperience, or other similar circumstances.

The wording of the amendment is extremely general, leaving a wide field of applicability. Moreover, the fact that it also applies to Business-to-Business agreements in addition to Business-to-Consumer transactions makes the amendment a source of great legal uncertainty.

The amendments entered into force on 1 May 2009.

New rules on gambling

On 21 October 2008, the Estonian Parliament adopted a new Gambling Act in order to keep up with the changed situation in the gambling sector and to make use of novel possibilities to supervise gambling organisers. The legislator hopes that the new legislation will improve the quality of gambling services by imposing stricter requirements on organisers and through more efficient supervision.

The new Gambling Act encompasses types of gambling that are currently insufficiently regulated or not regulated at all. Most importantly, the new Act thoroughly regulates remote gambling. This is defined as a type of gambling where the result of the game is determined by using an electronic device and the players can participate in the game by means of electronic communication devices (such as the Internet, digital TV, mobile phones, public broadcasting). The legislation aims to provide an attractive and trustworthy business environment for organising remote gambling over the Internet from Estonia. The upside is that foreign remote (online) gambling operators are enabled to legalise their activities in Estonia and avoid banning of access to their services by Internet service providers and restrictions on transferring funds to locally unlicensed remote gambling operators. The downside is that remote gambling operators interested in acquiring a local license must have their server physically located in Estonia. This and many other additional restrictions call into question the attractiveness of Estonia – which is basically a small market – for global online gambling operators. However, at least another interesting option has finally arrived.

Entry into force of the new Gambling Act is split into stages. While most provisions entered into force on 1 January 2009, organisers of remote gambling have time to study the impact of the new legal regime until 1 January 2010. Finally, provisions regulating electronic accounting and supervision of gambling systems will enter into force on 1 January 2011.

A separate Gambling Tax Act was adopted by the Estonian Parliament on 22 April 2009. A new Gambling Tax Act was needed because several types of gambling became regulated under the new Gambling Act. As a novelty,

the new Gambling Tax Act introduces taxation based on the net amounts of bets placed. This means that gambling organisers are allowed to deduct paid winnings from the taxable amount. The Gambling Tax Act entered into force partially on 1 July 2009 and will be fully enforceable beginning on 1 January 2010.

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LITIGATION AND ARBITRATION

Complaints on appeal committee decisions in public procurement disputes will be heard by the administrative court instead of the circuit court

The Supreme Court declared unconstitutional and invalid § 129 section 1 of the Public Procurement Act, according to which complaints on the decisions of the appeal committee have been heard by the circuit court even though the administrative court is a court of first instance in the Estonian court system. From now on complaints on appeal committee decisions have to be filed to the administrative courts which are courts of first instance.

On 8 June, the Supreme Court en banc took a position in decision 3-4-1-7-08 that this order is not in compliance with Constitution of the Republic of Estonia § 149 section 2, which reads as follows: circuit courts are courts of appeal and shall review judgments of the courts of first instance by way of appeal proceedings. The Supreme Court en banc is convinced that the appeal committee as an arbitrary administrative authority does not qualify as a court of first instance.

The Supreme Court substantiated that the existence of a provision that excludes the administrative court from settling certain disputes so that an administrative body takes its place means limiting constitutional competences of judicial power.

New-found legal clarity gave the Administrative Chamber of the Supreme Court the opportunity to review 16 public procurement cases pending until the abovementioned decision.

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TAX

Amendments to the Taxation Act widen enforcement action possibilities

Amendments to the Taxation Act from 1 January 2009 allow enforcement action by the tax authority even before a tax obligation has been ascertained. This is possible during a tax audit, with permission from the court. Once permission is given, the tax authority may freeze securities, apply for a prohibition on transfer of an immovable register, and take other similar action.

Taxpayers may apply to pay tax arrears by instalments

Taxpayers may apply for permission to pay tax arrears by instalments due to solvency problems. Recent practice shows that an increasing numbers of taxpayers have made such requests, which have often been granted. Nevertheless, a warning from the director of the Tax and Customs Board suggests grounds for caution. This practice may change and requests may not be granted so easily.

Unemployment contributions are increased

In Estonia from 1 June 2009, employers must pay an unemployment contribution of 1% and withhold employee's unemployment contribution of 2% from gross salary.

Temporary suspension of contributions to mandatory funded pension scheme

Contributions to the mandatory funded pension scheme are temporarily suspended from 1 June 2009 to 31 December 2010.

Estonian Parliament increased the VAT rate

In Estonia from 1 July 2009, the value added tax rate was increased from 18 to 20 per cent.

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LATVIA

REAL ESTATE

New Constitutional Court judgment on territorial planning

On 24 March 2009, a Constitutional Court judgment was published in Case No 2008-39-05 on Order No 2-02/299 by the Minister of Regional Development and Local Government suspending Jurmala City Council regulations on amendments to Jurmala City territorial planning.

The order stopped the regulations with regard to a part of the territory mentioned in the regulations, taking into account whether the specific territory already contains buildings, developed detail planning, or construction under way. The Constitutional Court judgment indicates that the order thus observes the principle of justice and public interests on the one hand and the principle of legal confidence and protection of private persons' rights on the other hand, and has found the disputed order to comply with regulatory enactments.

The Constitutional Court judgment repeatedly stresses the significance of informing the public and observing principles of public involvement and indicates that a solely formal fulfilment of these principles by adopting regulatory enactments in relation to territorial planning is unacceptable.

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BANKING

Parliament to adopt laws to ensure stability of Latvian financial sector

Since the end of 2008, the Saeima (Latvian Parliament) has adopted several laws aimed at ensuring the stability of the Latvian financial sector and building confidence in the Latvian financial system during a financial crisis. Thus, during the final days of 2008, the Bank Takeover Law was adopted and has entered into force determining the circumstances and procedure under which the state may take over a bank. This occurs either on a contractual basis or if an agreement on voluntary takeover cannot be reached, with a separate law being passed in each particular case. In each case of involuntary takeover of a bank, fair compensation must

be paid, according to basic principles for determining compensation. The law sets specific criteria triggering a necessary and justified takeover.

Meanwhile, in February 2009 amendments to the Credit Institutions Law and Deposit Guarantee Law were passed. The amendments to the Credit Institutions Law provide for setting up limitations applicable to credit institutions in order to avert excessive outflow of deposits or other liquid means, obstacles that jeopardise the activities of a credit institution, or the security and stability of the Latvian credit institution sector, which could result in considerable losses to the state economy. In these cases the law authorises the Financial and Capital Market Commission (FCMC) to apply deposit limitations. Additionally, the law entitles the FCMC to nominate its attorney, who *inter alia* may allow or disallow a credit institution to make payments, to enter into new transactions, or amend or terminate existing transactions, and to submit to the FCMC a proposal on the transfer of a credit institution. Amendments to the Deposit Guarantee Law provide a clearer and speedier procedure for determining the scope of deposit holders to whom guaranteed compensation should be made, supplement the procedure under which cash deficiencies are allocated from the state budget, and reduce to twenty days the period for paying out guaranteed compensation.

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COMPANY LAW

Case law: the Constitutional Court on decision making in public limited liability companies

The Latvian Constitutional Court has recently ruled (Case No 2008-12-01) that the provision in the Latvian Commercial Law which restricted the articles of association of public limited liability companies to stipulate a majority greater than three-quarters of the votes present at a shareholders meeting in order to pass decisions on amendments to the articles of association, changes to the share capital, issue of convertible bonds, reorganisation, entering into, amending or terminating of group agreements, inclusion or expressing consent to inclusion or the

cessation or continuation of activities was unconstitutional.

Following this judgment and the respective amendments to the Commercial Law, the question as to whether the decisions referred to above shall be passed by three-quarters or a greater majority of the votes present at a shareholders meeting is within the competence of the shareholders themselves.

This increased freedom to determine the majority requirements at shareholders meetings might facilitate the use of public limited liability companies as joint ventures and would justify the review of the majority provisions in the articles of association of existing joint venture companies.

Waiver by employers of the non-competition restriction imposed on employees

With a view of the still-progressing employment termination trend and the loss of interest of employers to keep in force the non-competition restrictions for employees agreed in the employment contracts for the time period after the employment termination, Sorainen would like to remind employers that the last opportunity for an employer to waive unilaterally the agreed non-competition restriction is when issuing the termination notice. If this moment is delayed or the employee terminates the employment on his own initiative before the employer has issued a termination notice, the non-competition restriction imposed on the employee will remain effective after the employment termination and the employer will be obligated to pay to the employee the agreed monthly remuneration for the whole period of the restriction.

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ENERGY

Changes to legal regulation of electricity production from renewable energy resources and cogeneration

Government Regulation No 198, "On production of electricity from renewable energy resources and on pricing procedure", came into force on 14 March 2009 (amendments

to the said Regulation came into force on 5 June 2009), and Regulation No 221, “On production of electricity in the process of co-generation and on pricing procedure”, came into force on 18 March 2009.

Regulations No 198 and No 221 determine criteria and procedures (for producers of electricity from renewable energy resources or in cogeneration) on acquiring rights to use one of two state support mechanisms:

1) sell electricity produced as the volume of electricity to be mandatorily procured (Mandatory Procurement) for a certain support price (Mandatory Procurement Price); or

2) receive a guaranteed payment for electricity capacity installed in the power station (Guaranteed Payment).

Under the new regulation, the Mandatory Procurement Price and the Guaranteed Payment are set in compliance with *formulae* fixed in the regulations (the regulator determines them in specific cases). The Mandatory Procurement Price depends on the energy resource (fuel) to be used and electricity capacity.

Approved regulatory enactments in the field of building energy efficiency

On 13 January 2009, the Cabinet of Ministers adopted several regulations envisaged under the Law on the Energy Performance of Buildings:

1) Regulation No 40, “On performance of energy certification of buildings” (came into force on 30 January 2009);

2) Regulation No 26, “On energy auditors” (came into force on 30 January 2009);

3) Regulation No 39, “Method of calculation of energy performance of buildings” (came into force on 1 March 2009).

These regulations, among others, set the minimum requirements for the energy performance of buildings, procedures for the energy certification of buildings, and for obtaining the energy certificates of a building, requirements to be applied to energy auditors, as well as methods for calculating the energy performance of a building.

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LITIGATION AND ARBITRATION

Amendments to the Civil Procedure Law

On 5 February 2009, the Latvian Parliament adopted extensive amendments to the Civil Procedure Law covering almost the entire law. The amendments became effective on 1 March 2009. This legal update focuses only on the most important changes. The amendments provide for an increase in state duties for certain categories of cases, as well as for a special regulation for civil cases involving state secrets. In these cases the judge will be able to order a closed hearing.

The legislator has also adopted a new regulation for the delivery and handing over of court documents, which foresees a slightly simpler procedure for delivery of summons and other court documents within Latvia. Delivery of documents to a person outside Latvia or to a non-resident of Latvia must take place under international treaties or Regulations No 1393/2007 and 861/2007 of the European Union. However, if a non-resident of Latvia has a representative for the purpose of civil process in Latvia, the documents will be delivered only to the representative under the general procedure for delivery of documents. The amendments also deal with provisions concerning valuation of immovable property, determining the starting price of immovable property at auction, approval of the deed of auction, and the results of an auction which has not taken place. These amendments are of practical importance due to the substantial increase in debt collection cases in the courts as a result of which collection is directed against a debtor’s immovable property used as collateral.

Finally, a number of amendments deal with international civil procedure. In particular, the article regarding refusal to enforce foreign court judgments is amended. The law also has been supplemented with a new chapter regulating international cooperation in delivery and issuance of documents in civil matters and a new chapter regulating international cooperation in the collection of evidence in civil matters. The new provisions refer to a number of international treaties, which are binding on Latvia, as well as to European Union Regulations on the same issues. It is worth noting that the amendments also stipulate international cooperation in the delivery and issuance of documents and in collection of evidence when no international treaty exists with a

foreign country which also is not a Member State of the European Union.

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TAX

Amendments to tax laws

Starting from the first quarter of 2009, the tax laws of Latvia have seen several material amendments and court judgements in tax cases. For more detailed information please refer to Sorainen Tax Newsflashes. The tax team also has recently published General Taxation guides for the three Baltic States and Belarus as well as Transfer Pricing and Thin Capitalisation guides for Estonia, Latvia and Lithuania. They all are available electronically at our website: [www.sorainen.com/Practice area/Tax/Publications](http://www.sorainen.com/Practice%20area/Tax/Publications), where it is also possible to subscribe to the Tax Newsflashes in several languages.

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LITHUANIA

ENVIRONMENT

Amendments to environmental pollution taxation procedure

On 12 May 2009, the Seimas (Lithuanian Parliament) amended the Law of the Republic of Lithuania on Environmental Pollution Tax (the Law), establishing the environmental pollution tax rates for 2010 and subsequent years and setting the same tax periods for all taxes on environmental pollution.

The amendments do not substantially change the taxation system of mobile pollution sources as the draft Council Directive on the tying of passenger car taxation and charging of heavy goods vehicles for the use of road infrastructure to the tax on environmental pollution is still being considered. The amendments also set tax rates for 2010 and subsequent years, as the Law previously laid down the rates of environmental pollution tax for 2005-2009. The new tax rates will be indexed according to the consumer price index which will be set by comparing the prices of December 2008 with the prices of December of the tax period instead of the previous baseline of December 1999.

The amendment to the Law sets forth one tax period for all taxes on environmental pollution, i.e. the calendar year, which should reduce the time input of taxpayers and tax administration officers. Until now, the Law set different tax periods: the tax on environmental pollution from mobile pollution sources was paid every half-year, the tax on environmental pollution from stationary pollution sources was paid every quarter or half-year depending on the payable tax amount, and the tax on environmental pollution with taxable goods and packaging waste was paid once a year.

In order to properly implement the Polluter Pays Principle, the Law cancelled the tax credit to the Bank of Lithuania, by which the central bank was exempted from the payment of the tax on environmental pollution.

This Law does not change the subject-matter of the tax, taxpayers or tax amount in comparison to the tax paid until now. Therefore, these amendments will not have any negative effect on taxpayers.

The amendments to the Law will come into force on 1 January 2010.

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BANKING

Contribution rate to II pillar pension funds reduced

The Lithuanian Law on Pension System Reform (the Law), which introduced II pillar pension funds in Lithuania, has been amended three times this year. All three amendments concern contribution rates to II pillar pension funds.

Before the amendments, the contribution rate to II pillar pension funds as of 2007 was 5.5% of a participant's income, on which their contributions to social security insurance are calculated. The Law Amending and Supplementing Article 4 of the Law on Reform of the Pension System dated 15 January 2009 reduces the contribution rate starting from 1 January 2009 to 3% for a period of two years.

On 28 April 2009, the Seimas passed a second amendment to Article 4 of the Law, which further reduced contribution rates to II pillar pension funds by 1%. Under this amendment, as of 1 July 2009 and until the end of 2010, the contribution rate to II pillar pension funds is 2%. For those who became members of II pillar pension funds before 1 July 2009 the contribution rate for 2011 is returned to 5.5% and, in order to compensate for reduced contributions in 2009-2010, will be temporarily increased to 6% for the period 2012-2014. The contribution rate of individuals who became members of II pillar pension funds after 1 July 2009 is 5.5%.

The first amendment of the Law this year also introduced exceptions relating to persons who receive income from sports, arts, copyright contracts, and to income earned by farmers and their partners. Under the amendment, the contribution rate of these persons to II pillar pension funds for 2009 is 1% and 2% for 2010. An amendment to Article 4 of the Law of 17 February 2009 expanded application of the exception to include not only farmers but all self-employed individuals.

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Regulation of the acquisition of major holdings in financial institutions amended to implement Directive 2007/44/EC

On 19 February 2009, the Seimas approved a package of legislative amendments,

transposing into Lithuanian law Directive 2007/44/EC of the European Parliament and Council of 5 September 2007, partially amending Directive 92/49/EEC of the Council and Directives 2002/83/EC, 2004/39/EC, 2005/68/EC and 2006/48/EC as regards procedural rules and valuation criteria for the prudential assessment of acquisitions and increase of holdings in the financial sector (Directive 2007/44/EC).

Transposition of the Directive required amendments to the Law on Markets in Financial Instruments, the Insurance Law, the Law on Banks, the Law on the Bank of Lithuania, and the Law on Collective Investment Undertakings.

Directive 2007/44/EC aims to establish exhaustive and uniform criteria for the acquisition of holdings in financial brokerage firms, regulated market operators, credit institutions, assurance or re-assurance undertakings in all Member States of the European Union, as well as to lay down the procedure for application of these criteria. Upon the effective date of the amendments, persons acquiring a holding are to be assessed solely against the following criteria: their reputation, experience, financial credibility, and capability of ensuring effective supervision following acquisition.

The amendments set forth the procedures and time-limits for examination of notices in supervisory institutions. The amendments reduce the term for examination of notices by supervisory institutions from three months to sixty days. The term may be extended by not more than twenty days (or, in exceptional cases, by no longer than thirty days) only if the applicant fails to provide all the required information.

The amendments also establish a finite list of criteria to evaluate the good repute of individuals. The amendments became effective as of 4 April 2009.

On 21 April 2009, the Board of the Bank of Lithuania approved the rules on notification of acquisition and transfer of a qualifying holding of a bank's authorised capital and/or voting rights (the Rules), which details application of the amendments to Lithuanian banks.

Under the Rules, a person or a group of persons wishing to acquire a qualified holding of a bank's authorised capital and/or voting rights or to increase the same to the extent that the holding in the authorised capital and/or voting rights held reaches or

exceeds 20%, 30%, 50%, or to the extent that the bank is placed under control, have to notify the Bank of Lithuania. Notification is required by persons who wish to transfer a qualifying holding of the bank's authorised capital and/or voting rights, or to reduce the same to the extent that the holding of authorised capital and/or voting rights constitutes less than 20%, 30%, 50%, or to the extent that they no longer control the bank.

Previous legislative acts provided for milestones of 20%, 33%, and 50%. Moreover, these operations required permission from the Bank of Lithuania. Currently, the Rules require notification of acquisition and transfer of a qualifying holding of the bank's authorised capital and/or voting rights. However, permission from the Bank of Lithuania is no longer required – the acquisition is effective even if the Bank of Lithuania objects.

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COMPETITION

Amendments to the Law on Competition

On 9 April 2009, the Seimas adopted amendments to the Lithuanian Law on Competition (the Law). The Law was amended following Council Regulation (EC) No 1/2003 of 16 December 2002, on the implementation of the rules on competition laid down in Articles 81 and 82 of the EC Treaty on implementation (Regulation No 1/2003), and according to the practice of the Lithuanian Supreme Administrative Court and the Competition Council.

The Supreme Administrative Court stated in its decision of 28 July 2006 that the right of the Competition Council to adopt confidential decisions may be established only by operation of law, rather than by secondary legislation (such regulation was applicable up to that time). Therefore, relevant amendments to the Law were made in the light of the court's explication. Decisions of the Competition Council concerning investigation of possible infringements of the competition rules may, by a decision of the Competition Council, be treated as confidential until the threat to investigation ceases to exist, though no longer than initial investigative action with respect to business entities suspected of violating the Law on Competition.

The Law further amends the procedure for formation of the Competition Council. The uniform term of office applicable to the chairman and members of the Competition Council is six years. Previously, the chairman was appointed for a term of five years.

The Law confers additional rights on authorised officials of the Competition Council in conducting an investigation, in particular to inspect private premises and to seal premises used by a business entity where documents are kept.

The Law newly establishes a finite list of circumstances mitigating liability. In addition, the leniency program for abuse of dominance is abolished.

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ENERGY

Lithuanian Ministry of Energy established

On 12 January 2009, the Seimas approved the Law on Establishment of the Ministry of Energy of the Republic of Lithuania and a package of laws related to establishing a Ministry of Energy in Lithuania.

Some functions of the Ministry of Economy will devolve on the Ministry of Energy. The newly established Ministry will deal with the implementation of strategic energy projects in Lithuania, such as electricity bridges and energy dependence. The functions of the Ministry of Energy are incorporated in Lithuanian legislation regulating e.g. energy, the thermal sector, nuclear power, and natural resources. Under the law, the Ministry will cease operation once all its objectives are implemented.

The Ministry of Energy will be the 14th ministry in Lithuania.

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BELARUS

REAL ESTATE

Land Code

A new Land Code came into force in Belarus on 1 January 2009.

Though land still may be granted to legal entities for permanent or temporary use, ownership and lease have become dominant titles to land plots. An innovation under the new Land Code is the possibility to sublease a land plot.

The new Land Code does not give a list of cases where land plots may be granted for private ownership. The general rule is that land plots are provided based on the results of various auctions.

The old Land Code prohibited lease agreements between legal entities and private persons (except for individual entrepreneurs). The new Land Code does not contain such a prohibition.

The term of lease of public land plots provided for construction and operation of real estate cannot be less than the term of the operational life of such real estate. Opportunities for tenants are extended. Tenants may transfer to third parties their rights and obligations under lease agreements, pledge lease rights, or contribute lease rights to the authorised capital of a company. However, these rights are granted if the tenant paid for the right to enter an agreement on lease of public land and if the purpose of use of the land is preserved.

Furthermore, tenants are granted a priority right to conclude a lease agreement of a land plot for a new period and to buy a previously leased land plot.

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DISTRIBUTION AND TRADE

Export-import and currency regulations simplified

On 19 February 2009, the President of Belarus issued Decree No 104 aimed at simplifying the procedure for export-import transactions and further liberalisation of the investment climate in Belarus. As of 1 April 2009, the new rules came into force.

Previously, each export-import transaction with a contract price exceeding EUR 3,000 (or equivalent) had to be certified with a “passport of transaction” and, after settlements, reported to state statistical bodies. The “passport of transaction” was subject to certification by the servicing bank which controlled compliance of the “passport of transaction” and the export-import contract with Belarusian laws. Decree No 104 abolished the requirement to certify an export-import transaction with a “passport of transaction”. At present, the servicing bank is obliged to register the transaction on the same day it receives a document certifying conclusion of a contract, in accordance with the notification principle.

Decree No 104 also enables residents involved in export-import transactions to terminate obligations by concluding a factoring agreement or by using a non-monetary form of terminating obligations. The Decree also abolishes the rules concerning information which the parties were obliged to specify in export-import contracts, except information relating to terms of settlement which still has to be stated in the contract.

In addition, Decree No 104 clarifies the list of transactions which fall outside the scope of export-import regulations. Such transactions include, *inter alia*, contracts of lease and financial leasing; insurance contracts, loan and credit agreements; contracts between companies registered in Belarus and representative offices (branches) of non-Belarusian companies, diplomatic and consular representatives in Belarus for their internal needs; contracts under which actual beneficiaries of protected information, services and exclusive rights to objects of intellectual property are Belarusian or foreign citizens.

Prepayments under agreements on import to Belarus

Restrictions on prepayments under import agreements were introduced by the National Bank in the autumn of the previous year as one of the measures to combat the liquidity crisis. On 16 November 2008, Resolution of the National Bank No 165 entered into force. This prohibited residents from making advance payments (prepayments) under import agreements from accounts opened in Belarusian banks.

Since the end of January 2009, the National Bank has allowed importers to make advance payments using credit facilities in foreign currency granted by non-residents for a period of more than 180 days.

Recently, the National Bank allowed residents to make advance payments to non-residents under import agreements using loans and credit facilities granted by non-residents or credit facilities granted by Belarusian banks in foreign currency. This provision is contained in the letter of the National Bank No 31-14/132 dated 15 April 2009.

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GENERAL INFORMATION

Approved plan to liberalise the economy

On 15 January 2009, the Belarusian Government, jointly with the Presidential Administration, approved a plan for liberalising the economy. The plan includes 52 priority measures aimed at improving tax and customs legislation, property and land relations, price and antimonopoly regulations, administrative and technical procedures. It also provides for measures to simplify certification procedures and procedures in the area of construction, steps to intensify investment activity, develop the financial market of Belarus, regulate monetary and banking operations, stimulate the labour market, and encourage development of self-employment.

The plan envisages cancellation of some taxes and duties, simplified methods of calculation and payment of certain customs duties, increased tax periods, and a new national automatic system of electronic export declaration. For the purpose of attracting foreign investment, no taxes will be imposed on income of non-residents received from Eurobonds and syndicated loans.

Measures in the area of property and land relations include an optimised rental value for real estate, improved procedures for holding auctions, adjusted mortgage relations, and free access to information on property whose use is restricted by mortgage obligations.

The economic liberalisation plan provides for improvement of procedures related to design, construction, and commissioning of real property objects. Foreign investors will be able to use the services of foreign design companies for drafting design and budget documentation. Executive committees will be authorised to sign international investment agreements on behalf of the Republic of Belarus.

Implementation of the plan is aimed at activating private business and increasing the investment attractiveness of Belarus.

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SORAINEN NEWS

AWARDS

Sorainen – among the leaders in Europe

Sorainen received the Baltics Law Firm of the Year 2009 award at the *International Financial Law Review* (IFLR) European Awards 2009 held in London on 18 March 2009. The annual IFLR European Awards acknowledge leading law firms in Europe for advising on the most complex and innovative international transactions.

Sorainen was recognised as the Baltics Legal Advisor of the Year by *The Financial Times* and *Mergermarket* in December 2008 and as the Law Firm of the Year: Baltics in the international *PLC Which lawyer?* Law Firm Awards 2009 in January. Having received three prestigious international awards during recent months, Sorainen is one of only two law firms in the whole of Europe to receive all three awards in one regional/national category.

RECENT TRANSACTIONS

Attorney Risto Agur acting as court-appointed reorganisation advisor

Sorainen Tallinn office Attorney-at-Law Risto Agur is acting as one of the court-appointed reorganisation advisors for MKV, the Estonian road construction corporation, in a court-administered reorganisation procedure that is among the first conducted under the new Reorganisation Act. This took effect in Estonia at the end of December 2008 and is based on the German *Insolvenzordnung* and the US Chapter 11, among others. The transaction is made particularly complex due to the lack of practice in implementing the new act as well as the large number (around 200) and heavy opposition of some of creditors. Sorainen has provided the following services in the course of the proceedings: advised on drafting and filing the reorganisation application to the court; determined the amounts of creditors' claims; advised the debtor in relation to the reorganisation plan and negotiations with creditors; assessed whether creditors' claims to be reorganised in the course of the proceedings are grounded and legal; distributed the reorganisation plan to creditors for voting purposes; arranged explanations and other correspondence

with all creditors; assessed the purposefulness of the debtor's transactions; and performed other duties arising from law that are necessary for the conduct of reorganisation proceedings. The reorganisation plan, among other measures, foresees postponing repayment of secured and strategic creditors and discounting the claims of other unsecured trade creditors (including the Tax Board) by 50%. The five-year plan accepted by creditors also has been accepted by the court. This is the second reorganisation plan that has been approved by the Estonian Court.

Sorainen represents the interests of the Republic of Latvia in drafting agreements with the EBRD

Sorainen is representing the interests of the State Privatisation Agency and its shareholder, the Republic of Latvia, in the sale of 25% plus one share of Parex banka to the European Bank for Reconstruction and Development (EBRD). The Share Purchase Agreement and the Shareholders' Agreement with the EBRD were signed on 16 April 2009. Under the agreements, the financial package for Parex banka includes the acquisition of 57.5 million shares, having voting rights, and collectively representing 25% plus one share of the total share capital of Parex banka for LVL 57.5 million (EUR 81.82 million), and a subordinated loan of EUR 22 million qualifying as Tier 2 capital of Parex banka. The purchase price for one share is LVL 1 (EUR 1.42). Sorainen assisted the client in drafting and negotiating the agreements and is currently continuing to advise the client in all matters related to preparation for closing the transaction, which is subject to a number of conditions. One of these is that the Government of Latvia needs to receive approval of state aid measures from the European Commission for increasing Parex banka's share capital and fulfilling other obligations under the agreements. In this assignment the Sorainen team is led by Partner Eva Berlaus-Gulbe and a team including Partner Agris Repšs and Senior Associates Brigita Tērauda, Lauma Bērziņa and Rūdolfs Eņģelis.

Advising Deutsche Bank on Latvian law issues

The Riga office recently advised Deutsche Bank London Branch on Latvian restructuring and insolvency law issues in relation to facilities granted earlier to the Nexis Fibers group, which has a subsidiary in Latvia. Nexis Fibers is a producer of industrial fibers which also has operations in Switzerland, Germany, Poland, and Slovakia. In 2007 and 2008, Sorainen already advised Deutsche Bank London Branch in providing a loan facility to Nexis Fibers and establishing a security package in Latvia. The transaction was led by Partner Ģirts Rūda and Senior Associate Rūdolfs Eņģelis.

Assisting HBSI Production in loan restructuring

The Riga office assisted HBSI Production, a subsidiary of Norwegian company Heimdal Byggsystem International, in restructuring a loan (related to a new modular system production plant in Ventspils) of almost EUR 5 million with a local bank. The Riga office team advised on amendments to the loan agreement, security documents, and other related transactions. The Sorainen team was led by Partner Ģirts Rūda with Associate Jānis Līkops.

Representing Industriālais Termināls against the Tax Inspection in the Supreme Court of Latvia

The Riga office is representing Industriālais Termināls in a complex VAT refund rejection case where the client claimed an amount of EUR 100,000. The case deals with applicability of the three-year limitation for tax refunds for those taxpayers who had overpaid taxes prior to 1 July 2003 when the three-year limitation period was introduced. The main argument is based on the European Court of Justice case law not noticed by the Supreme Court in a similar case previously. In the previous similar case the Supreme Court had decided to file a request for a preliminary ruling from the European Court of Justice. The client is represented by Partner Jānis Tukačs and Senior Associate Edgars Koškins.

Advising PKN Orlen in put option procedure valued at EUR 213 million

A Vilnius office team led by Partner Renata Beržanskienė and consisting of Partner Tomas Kontautas and Senior Associate Mantas Petkevičius, in cooperation with Deway & LeBoeuf Polish office, assisted PKN Orlen in exercising a put option regarding 9.98% of Mažeikių nafta shares.

On 29 April 2009, Polish oil concern PKN Orlen, as a result of realising a Put Option agreement with the Lithuanian Government, acquired the remaining stocks of Mažeikių nafta, buying 70,750,000 ordinary shares from the Lithuanian Government, or 9.98% of Mažeikių nafta registered capital. The value of the transaction was close to USD 285 million (EUR 213 million). The price was fixed two years ago when PKN Orlen acquired 84% of Mažeikių nafta from the bankrupt Yukos holding and the Lithuanian Government. As a result of the transaction, PKN Orlen owns 100% of shares of Mažeikių nafta. This is the largest share acquisition transaction in Lithuania and the Baltic States in 2009 so far.

MAI Lietuva acquires a Lithuanian insurance broker

The Vilnius office advised MAI Lietuva, part of MAI Central Eastern Europe (the largest independent network of insurance and reinsurance brokers within CEE), in the acquisition of 100% shares in the insurance brokerage company Draudimo efektas, based in Kaunas. With this transaction MAI Lietuva has expanded its activities in Lithuania and will have an office in Kaunas, Lithuania's second biggest city, in addition to its office in Vilnius. The client was advised by Partner Tomas Kontautas and Senior Associate Raminta Karlonaitė.

Schibsted increases its shareholding in 15 minučių

The Vilnius office advised Schibsted Baltics, part of the Schibsted Group, a leading Scandinavian media group, in buying out 34% shares in 15 minučių from Lietuvos rytas. Following the transaction, Schibsted increased its shareholding in 15 minučių to almost 100%. 15 minučių publishes the free newspaper *15 min* and administers the news portal www.15min.lt. The transaction was completed at the beginning of February 2009. The client was advised by Senior Associate Raminta Karlonaitė.

Advising on EUR 142 million notes issued by the Republic of Lithuania

The Vilnius office acted as a Lithuanian law adviser to Credit Suisse International in relation to EUR 142 million notes issued by the Republic of Lithuania in February 2009. The client was advised by Partner Tomas Kontautas and Senior Associate Agnė Jonaitytė.

REGIONAL NEWS

Sorainen is the Number 1 M&A legal advisor in the Baltic States

Sorainen M&A team was ranked as the top legal advisor in M&A transactions in the Baltic States both by deal value and volume by DealWatch, who has recently published the league tables of legal advisors in transactions for the January 2008 to March 2009 period. DealWatch collects M&A (Mergers & Acquisitions) and ECM (Equity Capital Markets) transaction information.

In the whole CEE region, Sorainen M&A team was ranked Numbers 2-4 by deal volume and Number 9 by deal value in the M&A transaction legal advisers league tables. Sorainen was recognised for completing 31 transactions, qualifying to DealWatch standards within a 15 month period, an outstanding performance for a regional law firm. Leading international law firms Clifford Chance and Allen & Overy completed the same number of transactions within the period in the region. The leader of table, White & Case, completed 34 transactions.

Sorainen has advised its clients in more than 500 M&A transactions to date, including Coopernic Alliance in its acquisition of the IKI retail chain (UAB Palink, operating in Lithuania and Latvia), Vienna Insurance Group in its acquisition of Seesam Life Insurance SE (operating in all Baltic States), and Allied Irish Banks in its acquisition of AmCredit's business in all Baltic States.

Sorainen highly ranked in major European legal directories

Recently major European legal directories published their rankings for the year 2009. The *Legal 500*, which provides the most comprehensive worldwide coverage on legal services providers in over 100 countries, has ranked Sorainen as a first-tier firm

in seven categories – Banking and Finance, Corporate and M&A, EU and Competition, IP, IT and Telecoms, Real Estate and Construction, Shipping and Transport, and Tax. Sorainen partners have also been named as leaders in the corresponding legal categories in individual rankings.

Chambers and Partners in their Chambers Europe 2009 directory have placed Sorainen Employment, Banking & Finance, Real Estate, Dispute Resolution, Intellectual Property, and Private Equity practice areas in the first tier. Chambers has a reputation based on independence and objectivity of research. Four Sorainen partners have been ranked as first-tier lawyers as well.

10 years for Sorainen Lithuania office

Sorainen Vilnius office has celebrated its 10th anniversary. The office was the third Sorainen office in the region. Since 1999 to date Sorainen Vilnius office has built a strong team of leading professionals. As the largest Sorainen office by the number of lawyers (34), the office can also be proud of the number and value of transactions advised, as well as its clientele. The office is constantly advising on a majority of the largest M&A, private equity, corporate, financing, real estate and other commercial transactions in Lithuania.

First anniversary of Sorainen Belarus office

Sorainen Minsk office has celebrated its first anniversary. Sorainen's entry into Belarus was a landmark event in the local legal market as Sorainen was among the very first European professional service firms starting business in Belarus. Sorainen helps clients in successfully accomplishing all matters related to business laws in Belarus and is able to provide a full spectrum of legal services to local and foreign clients doing business in Belarus.

Sorainen Estonia office participated in the establishment of the Estonian Private Equity and Venture Capital Association

On 16 June 2009, Sorainen Tallinn office participated in the establishment of the Estonian Private Equity and Venture Capital Association (EstVCA), which joins together venture capitalists,

private equity funds, business angels and other related institutions. Sorainen was welcomed as a supporting member of the organisation.

“We are very pleased to be part of this newly established organisation and look forward to contributing in the development of the Estonian private equity and venture capital industry, especially in the relevant legal and tax frameworks which are the areas of our expertise,” says Reimo Hammerberg, Partner and Head of the Sorainen Banking & Finance team.

EstVCA aims to strongly develop the private equity and venture capital industry in Estonia, and has 15 full members and 15 supporting members.

EMPLOYEES

Every 5th lawyer in Sorainen is on the list of best lawyers in the Baltic States

The international law directory *Best Lawyers International 2009* nominated 19 lawyers from Sorainen offices in Tallinn, Riga, and Vilnius among the best in the Baltic countries. This means that every 5th lawyer in Sorainen is the best in the market. Furthermore, some of them were nominated as leading lawyers in several practice areas. The nominees were selected based on confidential evaluation by specialists and clients.

Peer-reviewed listings of *Best Lawyers International 2009* organised selection of the best lawyers in the Baltic States for the first time this year. In total, the research was organised in 48 countries around the world in different legal spheres for a particular country.

Best Lawyers is the oldest and most respected peer-review publication in the legal profession helping lawyers and clients to find legal counsel in unfamiliar jurisdictions or unfamiliar specialities. The *Best Lawyers* directories have been published since 1983.

Former Estonian Chancellor of Justice joins Sorainen Estonia office

On 2 April 2009, Allar Jõks, the former Estonian Chancellor of Justice,

joined Sorainen Tallinn office as a Specialist Counsel supporting our Dispute Resolution team as well as the Competition & Regulatory team. He is a highly experienced lawyer with wide experience in different areas of law and a distinguished expert in applying law.

Aku Sorainen, Managing Partner of Sorainen, says that Mr Jõks joining the Tallinn office is a good opportunity to strengthen the team. “He also fits in very well as a person, as he is a known spokesperson in law-related matters and in applying laws fairly. His values concur very well with our values,” adds Mr Sorainen.

Toomas Prangli joins Sorainen Belarus office

On 4 May 2009, Toomas Prangli, former Head of the Sorainen regional M&A team and Partner at Tallinn office, joined Sorainen Minsk team as Co-Managing Partner supporting the growing M&A and Competition practices at the Minsk office and as Chair of the Sorainen regional Knowledge Management team. Toomas has personally been involved in more than 300 M&A cases over the past ten years, acting for both sellers and buyers, providing legal assistance in all phases of M&A.

Toomas Prangli is *Legal 500*, *PLC Which lawyer?*, *Chambers Global* and *European Legal Experts* recommended practitioner in M&A and Private Equity in Estonia and *IFLR 1000* recommended practitioner in Financial and Corporate Law.

PUBLICATIONS

Real Estate Market Report 2009 published

Ober-Haus, Deloitte, and Sorainen published the Real Estate Market Report 2009, a thorough overview of the real estate markets of the Baltic States. The Real Estate Market Report 2009 analyses changes in the real estate markets in Tallinn, Riga, and Vilnius in 2008 and describes legal- and tax-related issues of the commercial, industrial, and residential sectors. The report is

available for reading or downloading from www.sorainen.com.

Sorainen attorneys co-author a book on the European Takeover Directive

In April 2009, the Oxford University Press published a new book: *The European Takeover Directive and Its Implementation*. The book describes the history and the political and economic objectives of the Directive. Particular attention is given to new provisions resulting from the Directive. Estonia, Latvia, and Lithuania are covered by analysis from Sorainen attorneys. Key issues covered include a discussion of the rights of employees under the Directive, a timetable for implementation, sanctions for not implementing on schedule, and analysis of whether the Directive is compatible with the WTO obligations of the EU.

Senior Associate Regina Derkintytė co-authors the first book on maritime law issues published in Lithuania

International Shipping Law, the first book on maritime law issues in the Lithuanian language, has been recently published by one of the major legal publishing houses in Lithuania. Co-author, Senior Associate, and Attorney-at-Law Regina Derkintytė believes this book will become a valuable source of information for all members of maritime society. The book covers such subjects as the carriage of goods and passengers by sea, sale and purchase of ships, charterparties, collisions, salvage, and pilotage. Co-author Regina Derkintytė specialises in transport law, shipping law, insurance law, as well as litigation & arbitration and is “one of the few true specialists in the market” in her practice area (*Legal 500* (2008)).

Restructuring Card in the Lithuanian language issued

Sorainen Vilnius office has prepared a Restructuring Card, which contains a short overview of the formal (in-court) restructuring process available to companies and other enterprises under Lithuanian law. The Restructuring Card may serve as a guide to companies considering or planning to implement a restructuring process themselves and to companies that may be affected by the restructuring of their business partners. The Restructuring Card is in the Lithuanian language.

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