

CEE

# IN-HOUSE MATTERS

CEELM YEAR 7, ISSUE 7  
CEEIHM YEAR 1, ISSUE 1  
AUGUST 2020

A  CEE LEGAL MATTERS PUBLICATION

Guest Editorial by Jelena Djurovic of Mondelez Europe Services ■ Across the Wire: Featured Deals and Cases in CEE ■ In and Out: GC Moves  
In-House Counsel 2.0: From Business Blocker to Business Partner ■ How the Current Climate Pushes In-House Counsel to be More than Lawyers  
Building an In-House Team to Be Proud Of ■ Lessons (Finally) Learned: Selecting (and Pitching) Legal Services ■ Law with a Pinch of Tax  
Beware of Trade Sanctions' Tortuous Twists ■ Overseeing a Successful Shopping Spree ■ The GC in a Professional Services Setting  
Keeping the Plates Spinning: Managing Intense Workflow During COVID-19 ■ Fighting Spirit: Keeping Production Lines in Times of Crisis  
Data Protection and Cybersecurity in a COVID-19 Context ■ Investigating How to Continue Internal Investigations  
Navigating the Use of Data Through Uncertain Waters ■ Re-Thinking the Role of Lawyers in Regulatory Affairs  
The In-House Team Behind the Financial Shield Programs ■ The General Counsel That is Building Robots for Arbitration and Beyond  
Raising the Bar: The Budapest Bar Association's In-House Arm

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## A CEEIHM MISSION STATEMENT

By Radu Cotarcea

No, the headline of my editorial is not intended to challenge our readers' understandings of basic math. It's also not intended to be a brain teaser like those you can find somehow proving that one equals zero using algebra. It's simply designed to draw your attention to the fact that what you are holding in your hand is a hybrid issue. It is both issue 7.7 of CEE Legal Matters and the very first issue of CEE In-House Matters.

What is CEE In-House Matters, you ask? Good question!

CEELM has a long and proud tradition of creating platforms for General Counsel across CEE to exchange best practices, war stories, or simply interesting tidbits from their daily routines. In 2015 we published the first edition of our annual Corporate Counsel Handbook special report. That same year we kicked off our annual GC Summit, which brings hundreds of General Counsel together for professional development and networking.

CEEIHM is simply the logical next step to bring this network together – a sister publication of CEELM for, and by, senior in-house counsel across CEE. Yes, the current state of affairs played a role in nudging us towards launching this new platform, as we're not yet sure when, and in what conditions, we'll be able to bring everyone together for the next GC Summit. While we hold our breath for that to happen, we are intent on keeping the conversation between in-house counsel going. Thus, we wanted to create a place where GCs can share their views or simply check in to see what their peers are working on (and how) these days. Ultimately, CEEIHM allows the network to grow beyond those who are able to carve out the time to fly out to one of our GC Summits – and we're excited to connect with more and more senior in-house counsel and add to the

pool of voices in this virtual network.

And there's plenty that our readers can look forward to. With the launch of this issue, we're launching a dedicated portal as well: [www.ceeinhousematters.com](http://www.ceeinhousematters.com). This new website will contain all the usual in-house-focused coverage our readers have come to expect – reporting on in-house moves, Deal 5 interviews, and Inside Insight interviews, among other features – with more interviews, published on a rolling basis, similar to what you can find in this issue, check-ins with General Counsel across CEE to learn what's going on in their jurisdictions and how it affects their work (similar to the Buzz interviews we run in the CEELM magazine), and more.

Unlike most special issues of the CEELM magazine, this will also not be a one-off or yearly edition. Starting in 2021, CEEIHM will be published quarterly.

Towards that end, this is an open call to you, our readers, to encourage you to reach out to suggest topics that you think are worth sharing with your peers or that you yourself would be curious to learn more about — or simply to offer feedback on what you read in these pages. Indeed, we look forward to hearing from you what you like or dislike, or even simply to share with us your own perspectives and approaches.

Because CEE In-House Matters (too!). ■



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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: [press@ceelm.com](mailto:press@ceelm.com)

# GUEST EDITORIAL: STAYING STRONG – THE GENERAL COUNSEL’S ROLE DURING THE PANDEMIC

By Jelena Djurovic, Associate Counsel East Adriatic Markets (EAM), Mondelez Europe Services



The General Counsel role has been significantly transformed during the last decade – from being a mere business advisor and business partner to becoming part of the business. Nevertheless, the COVID-19 pandemic has shown that there is still significant space for change in the years ahead.

As a General Counsel for eight Western Balkans markets (two in the EU and six outside it), I

can say that besides the general priority to protect our people and our business the most important role during the pandemic was staying strong and compliant – committed to doing what is right for our colleagues, our company, our customers, our consumers, our communities, and ourselves.

Having the chance and ability to help colleagues understand what they can do in this challenging situation for their benefit, the benefit of their families/friends, business, and the community they live in, is a most important and uplifting experience. And all this was a challenging task. Legislative changes (mostly directly COVID-19-related), measures, decisions, decrees, and orders to protect public health and the economy were happening daily, if not even hourly, and the GC’s role was to modify the message to be comprehensible and meaningful to the business team at each turn. The most challenging was aligning and deciding with HR and other functions on the next steps regarding employees – on issues such as working from home, job descriptions remodeling, contingency plan development, health, and safety plan changes, *etc.* with a focus on doing the right thing for people first, and for the business. All of this

while keeping in mind that, due to the fluid situation, the speed of decisions was crucial, and facts were not always clear and/or available.

As a result of COVID-19 we saw EU internal borders close, states of emergency called, and curfews introduced, along with the creation and enforcement of other movement limitation measures. On top of it, we saw the mandated use of personal protection equipment and requirements on maintaining social distancing. All of these significantly influenced our business and our lives. And, adding to it all, we had some natural disasters (such as the March 22 earthquake in Croatia).

All of us needed to express our current skills in a virtual setting and develop ways to be productive in a virtual environment while, at the same time, developing new skills and staying alert to changes.

The GC has always had a wider perspective and needed to be familiar with all regulations related to the respective business and all company functions. During the pandemic, this perspective needed to be expanded even further, especially in areas such as health and safety, medical equipment/devices/insurance, the Constitution, measures to prevent the spread of COVID-19, and customs and travel restrictions.

We all know that, as our society gradually reopens, the pandemic will have a continuing influence on the way we work and we need to discover the secret of work success within this *new normal* while staying strong – to always do what’s right and act with the highest integrity under any circumstance. When COVID-19 is over (and I hope it soon will be), we will be proud of not only what we accomplished but how we accomplished it.

Wishing you all to stay strong and safe! ■

# TABLE OF CONTENTS

## PRELIMINARY MATTERS

- 3 Editorial: A CEEIHM Mission Statement
- 4 Guest Editorial: Staying Strong – The General Counsel’s Role During the Pandemic

## ACROSS THE WIRE

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

## IN AND OUT

- 22 In and Out: GC Moves

## LEGAL MATTERS

- 24 The Buzz

## A CALL TO ACTION

- 30 In-House Counsel 2.0: From Business Blocker to Business Partner
- 32 How the Current Climate Pushes In-House Counsel to be More than Lawyers

## HOW TO

- 34 Building an In-House Team to Be Proud Of
- 38 Lessons (Finally) Learned: Selecting (and Pitching) Legal Services
- 41 Law with a Pinch of Tax
- 44 Beware of Trade Sanctions’ Tortuous Twists

## IN THIS CASE

- 46 Overseeing a Successful Shopping Spree
- 50 The GC in a Professional Services Setting

## WAR STORIES

- 52 Keeping the Plates Spinning: Managing Intense Workflow During COVID-19
- 54 Fighting Spirit: Keeping Production Lines in Times of Crisis
- 59 Data Protection and Cybersecurity in a COVID-19 Context
- 62 Investigating How to Continue Internal Investigations

## GC REFLECTIONS

- 64 Navigating the Use of Data Through Uncertain Waters
- 66 Re-Thinking the Role of Lawyers in Regulatory Affairs

## BUILDING BLOCKS

- 68 The In-House Team Behind the Financial Shield Programs
- 70 The General Counsel That is Building Robots for Arbitration and Beyond
- 72 Raising the Bar: The Budapest Bar Association’s In-House Arm

# ACROSS THE WIRE: FEATURED DEALS



## Lithuania: Cobalt Advises on Western Union Processing Lithuania's Lease Agreement with Technopolis

Cobalt has advised Western Union Processing Lithuania on its lease of more than 15,000 square meters of office space from Finland's Technopolis real estate investment and management company.

Western Union Processing Lithuania, which is managed by the Western Union cash transfer company, is a financial services and information technology company providing payment services to individuals and businesses.

"We are delighted to have advised Western Union Processing Lithuania on a more-than-15,000 square meter office lease agreement with Technopolis. In the situation of uncertainty related to the COVID-19 crisis, this transaction proved that the office rent market has not changed its strategic direction and that work from home has not replaced the need for a world leading company to have a modern office arrangement as a permanent solution."

- Simona Oliskeviciute-Ciceniene,  
Partner at Cobalt Lithuania

Cobalt's team included Partner Simona Oliskeviciute-Ciceniene and Managing Associate Ausrvs Sliavas.

Technopolis was advised by Sorainen. ■

## Poland: Dentons Advises on EBRD and BNP Paribas' Financing of 200 MW Portfolio of Wind and Solar Projects

Dentons has advised French renewable energy developer and operator Qair, which, together with French infrastructure fund RGreen Invest, has secured financing for five Polish special purpose vehicles co-owned by the two from the EBRD and BNP Paribas Bank Polska, as well as further financing provided to three Polish special purpose vehicles of the same portfolio by BNP Paribas Polska.

The total financing to the portfolio amounts to approximately PLN 700 million.

The funds will support Qair's planned portfolio of circa 200 MW of renewable energy, including the construction of three new wind farms with a total capacity of 68 MW and 25 MW of new solar photovoltaic projects, which are all to benefit from the Polish CfD incentive scheme, as well as the operation of two merchant wind farms with a total capacity of 106 MW.

Linklaters advised the EBRD and BNP Paribas Bank Polska. ■

## Bulgaria: Georgiev, Todorov & Co Successful in Electric Grid Connection Dispute

Georgiev, Todorov & Co has successfully represented the Port of Burgas on its appeal of the decision of the Energy and Water Regulatory Commission in an administrative dispute regarding a connection to Bulgaria's national electricity transmission grid.

According to Georgiev, Todorov & Co, "an essential issue for resolving the dispute was the subject of the proceedings before the Court of Justice of the European Union on a reference for a preliminary ruling in relation to another business. With a clear and definite position, fully adopted by the national administrative court, the CJEU ruled that the voltage level is not the only determining criterion to consider whether a customer is treated as connected to the electricity transmission or distribution grid."

The Administrative Court of Sofia-city dismissed the appeal of the electricity distribution operator and recognized the right of the state enterprise to connect directly to the electricity transmission grid.

Georgiev, Todorov & Co's team included Partner Miglena Peneva and Attorney Maria Dereileva. ■

### **Estonia: Cobalt Advises on Sale of Fortumo to Boku**

Cobalt has advised Fortumo on its sale to global mobile payments platform Boku. The deal is valued at approximately USD 45 million.

Fortumo, which was founded in 2007 in Tartu, Estonia, provides mobile payment solutions to digital merchants including Google, Amazon, Spotify, Epic Games and Tencent. Boku, founded in 2003 in the UK, is a mobile payment company with headquarters in San Francisco. Since 2017, the company has been listed on the London Stock Exchange. The company's client base includes Apple, Microsoft, Google, Facebook, Sony, Netflix, and Spotify.

"We are extremely happy to have had the chance to help Fortumo with Morrison & Foerster on its growth-route by a merger with Boku, leading up to an even stronger LSE-listed mobile payments operator and cash to possibly fuel the booming Estonian tech sector in the future."

- Jesse Kivisaari,  
Specialist Counsel, Cobalt Estonia

Cobalt's team consisted of Partner Peeter Kutman, Specialist Counsels Ott Aava and Jesse Kivisaari, Senior Associate Tonu Kolts, Associate Liina Saaremets, and Assistant Lawyer Kerli Paasoja.

Ellex Raidla advised the company's founders and shareholders Mobi Solutions, Rain Rannu and Veljo Otsason. Sorainen advised Boku on the deal. ■

### **Austria: Schoenherr Advises on Union Investment's Acquisition of Residential Complex in Graz**

Schoenherr has advised Union Investment on the acquisition of a residential complex in Graz, Austria, from the Immola Group.

Union Investment is a real estate investment manager which has been investing in real estate projects for over 50 years and has total real estate assets of EUR 34.3 billion.

The Immola Group specializes in the development, financing, and support of residential construction projects in Graz and the surrounding area. Its portfolio includes residential complexes, single and multi-family houses, and rental and investor properties. According to Schoenherr, the transaction will enable the construction of around 255 new residential units as well as additional office and retail space in a popular district of Graz.

Scherbaum Seebacher advised the Immola Group on the deal. ■

### **Russia: CMS Successful in Challenging Healthcare Regulatory Authority**

CMS Moscow has successfully represented the interests of GE Healthcare in several court proceedings against Russian healthcare regulatory authority Roszdravnadzor.

Ultimately, the court of first instance found Roszdravnadzor's refusal to register one of GE Healthcare products, a modern ultrasound diagnostic system improper and unjustified.

As a consequence of the court's July, 2020, decision, Roszdravnadzor is required to register GE Healthcare's product and permit its use and circulation in Russia." ■

### **Lithuania: Cobalt Advises on Western Union Processing's Lease Agreement**

Cobalt has successfully represented Latvian Television in a copyright and competition dispute against All Media Latvia that reached Latvia's Supreme Court.

Ultimately, the Supreme Court upheld a lower court's decision dismissing All Media Latvia's claim that sought damages for an alleged breach of copyright and unfair competition.

All Media Latvia, previously known as Latvijas Neatkarīga Televīzija, claimed that Latvian Television's morning show "Rita Panorama" imitated the format of its "900 Sekundes" show, in breach of the country's Copyright Act and Competition Act.

According to Cobalt, in making its decision, the Supreme Court for the first time discussed a TV format as the property of its creator. According to the firm, "the Supreme Court explained that, in principle, a TV format may be protected, but no one has the right to monopolize an entire class of television programs (genre). Having recognized that the prohibition of unfair competition is actionable in a dispute over a TV format, the court listed the criteria of an infringement and agreed that in the case at hand they had not been fulfilled."

Cobalt's team consisted of Senior Associate Linda Birina and Associate Ivo Maskalans. ■

# ACROSS THE WIRE: DEALS SUMMARY

Date covered	Firms Involved	Deal/Litigation	Value	Country
16-Jun	Wolf Theiss	Wolf Theiss advised joint lead managers Banca IMI, Citi Bank, JP Morgan, and Raiffeisen Bank International on the Republic of Albania's EUR 650 million seven-year international bond issuance.	EUR 650 million	Albania
18-Jun	Wolf Theiss	Wolf Theiss advised Euronext Amsterdam-listed Royal DSM on its acquisition of the Erber Group. Cerha Hempel advised San Pacific Investment and San Venture Biotech, as well as their sole shareholder Erich Erber, on the sale of Erber to Royal DSM.	N/A	Austria
24-Jun	Weber & Co.; White & Case	Weber & Co advised OMV AG, the international integrated oil and gas company headquartered in Vienna, on the issuance of two tranches of corporate bonds. White & Case's Frankfurt office advised joint lead managers Citigroup Global Markets Europe AG, Commerzbank Aktiengesellschaft, Erste Group Bank AG, Landesbank Baden-Wuerttemberg, Mizuho Securities Europe GmbH, and Raiffeisen Bank International AG.	EUR 1.5 billion	Austria
26-Jun	Dorda	Dorda advised Eastern Property Holdings on the acquisition of an office building in Vienna.	N/A	Austria
26-Jun	BPV Huegel	BPV Huegel helped Austrian low-cost airline Level Europe GmbH initiate and implement judicial insolvency proceedings at the Regional Court of Korneuburg.	N/A	Austria
30-Jun	Schoenherr	Schoenherr advised a club of lenders led by Erste Group and including Raiffeisen Bank International, UniCredit Bank Austria, BAWAG, and Oberbank on a EUR 300 million financing for Austrian Airlines.	EUR 300 million	Austria
30-Jun	Eisenberger & Herzog	Eisenberger & Herzog helped OBB-Technische Services GmbH, LTE Logistik Transport-GmbH, and ELL Austria GmbH set up a joint venture to establish and operate a service base for locomotives.	N/A	Austria
1-Jul	Schoenherr; Schrebaum Seebacher	Schoenherr advised Union Investment on the acquisition of a residential complex in Graz from the Immola Group. Schrebaum Seebacher advised the Immola Group on the deal.	N/A	Austria
2-Jul	BPV Huegel; Kung Rechtsanwälte & Notare; Lenz & Staehelin; Simpson Thacher & Bartlett	BPV Huegel advised Raiffeisen Informatik on the sale of shares in SoftwareONE Holding by KKR, Raiffeisen Informatik, and the heirs of Patrick Winterin, via an accelerated book-building process. Lenz & Staehelin acted as Swiss counsel for the sellers, KKR was advised by Simpson Thacher & Bartlett, and the heirs of Patrick Winter were advised by Switzerland's Kung Rechtsanwälte & Notare firm.	CHF 380 million	Austria
2-Jul	Herbst Kinsky	Herbst Kinsky advised Viennese start-up GoStudent GmbH on its EUR 8.3 million series A financing round, which was led by VC fund Left Lane Capital.	EUR 8.3 million	Austria
3-Jul	42Law; Cerha Hempel; Deloitte Legal	Cerha Hempel, working alongside Deloitte Legal in Germany, advised Germany's GBTEC Software + Consulting AG on the acquisition of all shares in Avedos, a Vienna-based GRC software specialist, through direct and indirect share purchases and by means of a contribution by Samuel Brandstatter – the founder, managing director and shareholder of Avedos. 42law advised Brandstatter on the deal.	N/A	Austria
13-Jul	Binder Groesswang; Clifford Chance	Binder Groesswang and Clifford Chance Frankfurt advised BNP Paribas' Arval subsidiary on the acquisition of UniCredit Leasing Fuhrparkmanagement GmbH and a long-term cooperation agreement with UniCredit Bank Austria.	N/A	Austria
14-Jul	Schoenherr	Schoenherr successfully represented TIWAG-Tiroler Wasserkraft AG before Austria's Administrative Court in the last challenge to the implementation of the Kuhtai Storage Power Plant project.	N/A	Austria

Date covered	Firms Involved	Deal/Litigation	Value	Country
15-Jul	Eisenberger & Herzog; Peters, Schonberger & Partner	Eisenberger & Herzog, working alongside Germany's Peters, Schonberger & Partner, advised Vetter Pharma on its acquisition of a clinical production facility in Rankweil, Austria.	N/A	Austria
26-Jun	Cerha Hempel; Schoenherr	Cerha Hempel advised MK Group Global Limited on the acquisition of a loan portfolio from Heta Asset Resolution AG and the acquisition of the direct and indirect shareholdings of HETA in three Slovenian wind-down entities that manage receivables from non-performing loans granted by the former Hypo Alpe-Adria-Bank International AG and its subsidiaries to customers in Slovenia. Schoenherr advised the Republic of Austria as the owner of HETA.	N/A	Austria; Slovenia
18-Jun	Boyanov & Co; Kinstellar	Kinstellar advised regional property developer Globe Trade Center on negotiations with Germany's Commerzbank to lease 3,500 square meters of space at Sofia' Advance Business Center II office building. Boyanov & Co advised Commerzbank on the deal.	N/A	Bulgaria
22-Jun	Georgiev, Todorov & Co.	Georgiev, Todorov & Co advised COMSED JSC, the largest retail chain for toys and children's accessories in Bulgaria, on a change in the ownership structure of the company.	N/A	Bulgaria
26-Jun	Georgiev, Todorov & Co.	Georgiev, Todorov & Co successfully represented the Port of Burgas on its appeal of a decision of the Energy and Water Regulatory Commission regarding a connection to Bulgaria's national electricity transmission grid.	N/A	Bulgaria
1-Jul	CMS; Terziyski & Partners Legal Partnership	CMS acted for private property investor Strategy Solution Ltd. on its EUR 1.4 million acquisition of a landmark office building in Sofia, Bulgaria, from six private individuals. Terziyski & Partners advised the sellers.	N/A	Bulgaria
8-Jul	Kinstellar	Kinstellar advised Silversmith Capital Partners, a Boston-based growth equity firm, on Appfire's acquisition of Botron Software, a Bulgaria-based provider of tools that enable enterprise-level change and configuration management within the Jira software platform.	N/A	Bulgaria
14-Jul	Boyanov & Co	Boyanov & Co. advised the Valea Foundation on the acquisition of a minority capital package in FIB Bank.	N/A	Bulgaria
15-Jul	Dimitrov Petrov & Co.	Dimitrov, Petrov & Co. assisted with the spin-off of CETIN Bulgaria from PPF Telenor.	N/A	Bulgaria
9-Jul	Baker McKenzie; Divjak Topic Bahtijarevic & Krka	DTB and Baker McKenzie advised mobile game developer Playrix on the acquisition of Croatian gaming studio Cateia Games.	N/A	Croatia
16-Jun	Kocian Solc Balastik	Kocian Solc Balastik advised Czech hosting company Ignum, a member of Slovakias WY Group, on the acquisition of the hosting division of Axfone LLC, a development and telecommunications company with branches in Europe, the USA, and Asia. Solo practitioner Richard Sysel advised Axfone on the deal.	N/A	Czech Republic
16-Jun	Masek, Koci, Aujezdsky; Vyskocil Krosiak a Partneri	Masek, Koci, Aujezdsky advised sports platform Livesport on the acquisition of film portal Kinobox.cz from entrepreneur Peter Vachler, who will remain on as a consultant. Vyskocil, Krosiak a Partneri advised Vachler on the deal.	N/A	Czech Republic
17-Jun	CMS; Dunovska & Partners	CMS advised Arkance on its acquisition of CAD Studio, a company involved in the digitalization of manufacturing and construction industries in the Czech and Slovak Republics and Hungary, from Autocont, a member of the Aricoma Group. Dunovska & Partners advised the sellers on the deal.	N/A	Czech Republic
6-Jul	Kinstellar; Roedel & Partner; Tarpan Partners	Kinstellar advised Max Aicher GmbH & Co. KG on the acquisition of the enterprises of bankrupt Czech companies Pilsen Steel s.r.o. and Pilsen Estates s.r.o. from insolvency administrator Jaroslav Broz. Tarpan Partners were on the insolvency administrator's team, while Roedel & Partner served as tax advisors to the Max Aicher group.	N/A	Czech Republic
8-Jul	Kocian Solc Balastik	KSB advised Solitea Holding on the internal merger of thirty companies from the Czech Republic and Slovakia into two national companies.	N/A	Czech Republic
8-Jul	Kocian Solc Balastik	KSB advised Sandberg Capital on the acquisition of a 35% stake in Revolgy Business Solutions.	N/A	Czech Republic

Date covered	Firms Involved	Deal/Litigation	Value	Country
9-Jul	Weinhold Legal	Weinhold Legal advised Chropynska Strojirna on the acquisition of a 100% stake in HLS Czech.	N/A	Czech Republic
10-Jul	Allen & Overy; Go2Law; White & Case	Allen & Overy and Go2Law advised the management of Memsource on the sale of its majority stake to the Carlyle Group. White & Case advised the Carlyle Group.	N/A	Czech Republic
13-Jul	Clifford Chance	Clifford Chance advised the Nadace Dagmar a Vaclava Havlovych VIZE 97 foundation on multiple intellectual property protection matters.	N/A	Czech Republic
3-Jul	Allen & Overy; Clifford Chance	Clifford Chance advised Vseobecna Uverova Banka a.s., the Slovak subsidiary of Intesa Sanpaolo, on the update of its EUR 5 billion covered bond program and another syndicated EUR 500 million issuance via the Luxembourg Stock Exchange. Allen & Overy advised joint lead managers Banca IMI S.p.A., Commerzbank Aktiengesellschaft, Danske Bank A/S, Erste Group Bank AG, and Landesbank Baden-Wuerttemberg.	N/A	Czech Republic; Slovakia
16-Jun	Sorainen	Sorainen advised Livonia Partners on the sale of a majority stake in Thermory to Estonian capital-based UG Investeeringud.	N/A	Estonia
16-Jun	Cobalt; Schjodt	Cobalt advised the Algeco Group on its acquisition of Wexus Group AS from Norvestor Equity AS. Norway's Schjodt law firm advised the sellers.	N/A	Estonia
16-Jun	Sorainen	Sorainen advised the Fortum Corporation on the acquisition by subsidiary Fortum Heat Estonia of the remaining 40% in district Fortum Tartu from Giga.	N/A	Estonia
16-Jun	TGS Baltic	Acting on behalf of Erial Ehitus OU, TGS Baltic successfully persuaded the Supreme Court of Estonia to overrule lower courts' rulings that the company's name could not be registered because the word "construction" ("ehitus," in Estonian) in its name was protected as a trademark.	N/A	Estonia
19-Jun	Triniti	Triniti successfully persuaded the Tallinn Circuit Court of Appeal to uphold the judgment of the District Court in a dispute between Estonian individual Katrin Lust and prominent chiropractor and entertainer Allan Gary Oolo involving an episode of the Estonian TV show Kuuurija.	N/A	Estonia
23-Jun	Sorainen	Sorainen advised EIB on financing a project related to the modernization of tracks and signaling and traffic control systems of Estonian Railways.	EUR 95 million	Estonia
26-Jun	Cobalt	Cobalt helped Luminor Bank request the termination of the reorganization proceedings of dumping producer Uvic.	EUR 9 million	Estonia
26-Jun	Cobalt	Cobalt advised AS Baltika on reorganization proceedings.	N/A	Estonia
26-Jun	Cobalt; Ellex (Raidla); Sorainen	Cobalt advised Fortumo and Ellex Raidla advised the company's founders and shareholders Mobi Solutions, Rain Rannu and Veljo Otsason on the sale of Fortumo to global mobile payments platform Boku. Sorainen advised Boku on the deal.	USD 45 million	Estonia
1-Jul	Cobalt; Hedman Partners	Cobalt advised Change Ventures on a seed investment into Planet42. Hedman Partners reportedly advised Planet42.	EUR 2.2 million	Estonia
8-Jul	Cobalt; Fort	Cobalt advised Laurus – a joint venture of Partners Group and Northern Horizon Capital – on the sale of the building housing SEB's head office in Tallinn to East Capital Real Estate IV. Fort Legal advised the buyer on the transaction.	EUR 45.75 million	Estonia
8-Jul	Cobalt	Cobalt advised Berlin-based early-stage investor Project A on its investment in Estonian start-up Pactum, an AI-based platform that enables global companies to automate personalized commercial negotiations on a massive scale.	N/A	Estonia
3-Jul	Sorainen	Sorainen advised the Vienna Insurance Group on consolidating the businesses of its group non-life insurance companies Compensa and Seesam in Lithuania, Latvia, and Estonia.	N/A	Estonia; Latvia; Lithuania
17-Jun	Karatzas & Partners; Zepos & Yannopoulos	Zepos & Yannopoulos advised Bain Capital Credit LP on the acquisition of a portfolio of approximately 2,800 primarily secured non-performing corporate loans, originated or otherwise owned by National Bank of Greece S.A. Karatzas & Partners advised the NBG	EUR 1.6 billion	Greece
17-Jun	Karatzas & Partners; Zepos & Yannopoulos	Zepos & Yannopoulos advised arrangers Alantra Corporate Portfolio Advisors, Mediobanca – Banca di Credito Finanziario, and security trustee, cash manager, and account bank Citibank London branch on the EUR 7.5 billion multi-asset NPE securitization of Eurobank Ergasias. Karatzas & Partners advised Eurobank Ergasias.	EUR 7.5 billion	Greece

Date covered	Firms Involved	Deal/Litigation	Value	Country
22-Jun	Karatzas & Partners; Karatzas & Partners; Koutalidis	Koutalidis advised Eurobank Ergasias S.A. on the sale of 80% stake of subsidiary Eurobank Financial Planning Services to DoValue S.p.A. DoValue was advised by Karatzas & Partners.	EUR 11.3 billion	Greece
24-Jun	Cerha Hempel; Lakatos, Kovcs & Partners	Lakatos Kovcs & Partners advised the Dubai-based Al Habtoor Group on the sale of Budapest's Rumbach Center to GalCap Europe, advised by Cerha Hempel.	N/A	Hungary
10-Jul	Cerha Hempel	Cerha Hempel's Budapest office helped set-up a new company – Cetin Hungary – by way of a de-merger from Telenor Hungary.	N/A	Hungary
7-Jul	TGS Baltic	TGS Baltic successfully represented the Anti-Doping Bureau of Latvia in the Court of Arbitration for Sport.	N/A	Latvia
10-Jul	Cobalt	Cobalt successfully represented Latvian Television in a copyright and competition dispute against All Media Latvia that reached Latvia's Supreme Court.	N/A	Latvia
14-Jul	Cobalt	Cobalt provided pro bono advice to the Apeiron Foundation regarding an opinion the latter submitted to the Constitutional Court of Latvia as amicus curiae.	N/A	Latvia
16-Jun	Ellex (Valiunas)	Ellex Valiunas persuaded the Supreme Court of Lithuania to rule that the Kaunas City Municipality may continue centralizing food purchases for pre-school education institutions.	EUR 900,000	Lithuania
17-Jun	Wallace	Wallace helped the Ambr Group's set up a Lithuanian subsidiary – Ambr Payments UAB – and obtain an electronic money license from the Bank of Lithuania to issue electronic money and provide payment services.	N/A	Lithuania
23-Jun	Cobalt; Sorainen	Cobalt advised Western Union Processing Lithuania on its lease of more than 15,000 square meters of office space from Finland's Technopolis real estate investment and management company, which was advised by Sorainen.	N/A	Lithuania
23-Jun	Sorainen; Wallace	Sorainen advised electronic money institution Verse Payments Lithuania on its acquisition by Square, an electronic payment and financial services company headquartered in San Francisco and listed on the New York Stock Exchange. Wallace advised Square.	N/A	Lithuania
26-Jun	Sorainen	Sorainen assisted the Kino Pavasaris Vilnius International Film Festival on the removal of counterfeit copies of the movie "Parasite" from illegal torrent sites in Lithuania.	N/A	Lithuania
2-Jul	Sorainen	Sorainen advised Koinvesticinis Fondas on the investment, made along with three business angels, of EUR 100,000 in Lithuanian startup Cogastro, which developed the world's first computer program for insect farm monitoring and management.	EUR 100,000	Lithuania
3-Jul	Sorainen; Wallace	Sorainen advised the Darnu Group on the sale of the 15,000 square meter East Hill building in Vilnius's Park Town business center to an investment company jointly owned by the Zenith Family Office and the Dao Family Office. Wallace advised the buyers on the transaction.	N/A	Lithuania
14-Jul	Sorainen	Sorainen advised Koinvesticinis Fondas on its investment in Nanoenergija.	N/A	Lithuania
17-Jun	CK Legal; Decisive Worldwide	Decisive Worldwide Szymiel Papros Gregorczyk advised Rengl Polska Sp. z o. o. on its acquisition of the assets of Krakow's Wencja Advertising Agency. CK Legal advised the sellers on the deal.	N/A	Poland
18-Jun	Norton Rose Fulbright	Norton Rose Fulbright advised a consortium of Polish banks consisting of mBank S.A. and Santander Bank Polska S.A. in relation to the financing of R. Power's 121 MWp PV installations in Poland.	PLN 350 million	Poland
22-Jun	CMS; Rymarz Zdort	Rymarz Zdort advised a fund controlled by Aberdeen Standard Investments on its acquisition of a portfolio of 41 photovoltaic projects from Lithuania-based Green Genius. CMS advised Green Genius on the deal.	N/A	Poland
23-Jun	Schnittker Moellmann Partners; SSW Pragmatic Solutions; Taylor Wessing	SSW Pragmatic Solutions, working with Germany's Schnittker Moellmann Partners, advised Polish private equity investor ARIA Private Equity on its investment in Inuru, a company providing electronic packaging solutions. Taylor Wessing advised Inuru on the transaction.	EUR 2 million	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
23-Jun	Gawronski & Partners	Gawronski & Partners advised Przedsiębiorstwo Wodociągów i Kanalizacji on the organization of a public procurement procedure for the construction of a pioneer nutrient recovery facility designed to recover phosphorus from reclaimed water in a sewage treatment plant in the Polish town of Cielcza.	N/A	Poland
23-Jun	Linklaters	Linklaters advised Polish Logistics LLP on the acquisition and financing of a logistics park in Piotrków Trybunalski, near Łódź, from unnamed sellers.	N/A	Poland
23-Jun	Dentons; Linklaters	Linklaters advised the EBRD and BNP Paribas Bank Polska on financing provided to five Polish special purpose vehicles owned by the French renewable energy developer and operator Qair and the French infrastructure fund RGreen Invest and advised BNP Paribas Bank Polska on financing provided to three Polish special purpose vehicles of the same portfolio, with the total financing to the portfolio amounting to approximately PLN 700 million. Dentons advised Qair on the deal.	PLN 700 million	Poland
24-Jun	CK Legal	CK Legal advised Selvita S.A. on its successful allotment of 2.38 million of C series shares, raising EUR 20.6 million from investors.	EUR 20.6 million	Poland
26-Jun	Gessel	Gessel advised Polish stem cell bank Polski Bank Komórki Macierzystych on its EUR 420,000 acquisition of 53% of the share capital of Milan-based Sorgente S.r.l.	EUR 420,000	Poland
26-Jun	Gessel	Gessel advised Anwim on its investment in a network of unmanned eMila service stations.	N/A	Poland
26-Jun	Arena Legal; Gessel; Lewczuk Lyszczarek i Wspólnicy	Gessel advised the Sunfish Partners fund on participating in an investment round, together with Chiratae Ventures and Joyance Partners, for Aether Biomedical. Lewczuk Lyszczarek i Wspólnicy advised Aether Biomedical on the deal, while Arena Legal had advised Chiratae Ventures and Joyance Partners.	N/A	Poland
26-Jun	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised CofounderZone, a venture capital fund managed by the state-owned PFR Ventures group, on its investment in Nethansa, a Polish startup offering the Clipperon system for automating logistics and sales processes on the Amazon platform.	N/A	Poland
26-Jun	DWF; Skils; WKB Wiercinski Kwiecinski Baehr	DWF advised the ESPF 4 fund managed by KGAL on the acquisition of two wind farms with a total capacity of 40 MW from the CEZ Group. WKB Wiercinski Kwiecinski Baehr and Skils advised CEZ on the deal.	N/A	Poland
26-Jun	Rymarz Zdort	Rymarz Zdort advised European Logistics Investment BV and Griffin Real Estate on the acquisition of land for the construction of a warehouse in Zabrze, Poland.	N/A	Poland
29-Jun	SSW Pragmatic Solutions	SSW Pragmatic Solutions helped Gaming Factory SA obtain approval for its prospectus from the Polish Financial Supervision Authority for a planned public offering and application for admission and introduction of shares to trading on the regulated market of the Warsaw Stock Exchange.	N/A	Poland
1-Jul	Greenberg Traurig	Greenberg Traurig advised Panattoni Development Europe on a transaction related to the financing and planned development of a logistic park near Warsaw.	EUR 132 million	Poland
1-Jul	Allen & Overy; Gorrissen Federspiel; Wardynski & Partners	Wardynski & Partners and Gorrissen Federspiel advised the Salling Group on the acquisition of shares in Tesco. Allen & Overy advised Tesco.	N/A	Poland
1-Jul	CMS	CMS advised Bayerische Landesbank on financing to Pacifico Energy Partners for the construction of three wind farms with a total capacity of almost 52 MW.	N/A	Poland
3-Jul	Rymarz Zdort	Rymarz Zdort represented Polskie Goornictwo Naftowe i Gazownictwo S.A. in arbitration proceedings against PAO Gazprom and OOO Gazprom Export involving PGNiG's demand that the contract price for gas supplied by Gazprom under an agreement commonly known as the Yamal Contract be revised.	N/A	Poland
3-Jul	Greenberg Traurig	Greenberg Traurig advised Panattoni Development Europe on the acquisition of an undeveloped plot in Gdansk from unidentified sellers.	N/A	Poland
3-Jul	Dentons; DLA Piper	DLA Piper advised Grupa PZU on the lease of 47,000 square meters of office, retail, and warehouse space in the Generation Park Y in Warsaw from Skanska. Dentons advised Skanska on the deal.	PLN 787 million	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
3-Jul	Kochanski & Partners	Kochanski & Partners helped Forteam Investments overcome the attempt by Polish entrepreneur Mariusz Switalski to have the District Court in Poznan lift an injunction against him and his assets in an ongoing proceeding.	USD 86 million	Poland
7-Jul	Gessel	Gessel advised the Polish Stem Cell Bank on the signing of a preliminary contract for the purchase of 100% of shares in Germany's Eticur from InGeneron and another owner.	N/A	Poland
7-Jul	SSW Pragmatic Solutions	SSW Pragmatic Solutions advised Fitch Ratings on the multi-stage restructuring of the Fitch Group in Europe.	N/A	Poland
8-Jul	DLA Piper	DLA Piper advised Katoen Natie, an international logistics service provider and port operator, on the acquisition of the Polish warehousing activities of the Nijhof-Wassink logistics company. The sellers were advised by solo practitioner Boguslaw Kanski.	N/A	Poland
8-Jul	Mrowiec Fialek & Partners	Mrowiec Fialek & Partners advised Mota-Engil Real Estate Management on its issuance of private corporate bonds.	PLN 15 million	Poland
9-Jul	Greenberg Traurig	Greenberg Traurig advised Lee Hecht Harrison on the acquisition of the enterprise of Development & Business Consulting Gniazdowski i Partnerzy sp.k., which had been operating as the Polish Lee Hecht Harrison representative.	N/A	Poland
9-Jul	Baker McKenzie; DLA Piper	DLA Piper advised private equity investor Resource Partners on the sale of a majority stake in Golpasz to De Heus. Baker McKenzie advised De Heus on the deal.	N/A	Poland
10-Jul	Norton Rose Fulbright; Rosicki, Grudzinski & Co.	Norton Rose Fulbright advised Bank Polska Kasa Opieki S.A. on refinancing the debt of Polska Zegluga Morska Group companies in connection with the acquisition of five vessels. Rosicki, Grudzinski & Co. advised Polska Zegluga.	N/A	Poland
13-Jul	Clifford Chance	Clifford Chance advised mBank S.A. on Echo Investment S.A.'s up-to-PLN 150 million bond issuance.	PLN 150 million	Poland
14-Jul	SMM Legal	SMM Legal advised the Energa Group on the acquisition of a wind farm project in Poland from Energa Invest.	N/A	Poland
15-Jul	Linklaters	Linklaters advised Chariot Top Group BV on the EUR 1 billion sale of a 1.8 hectare investment plot in Katowice, Poland, to unnamed buyers.	EUR 1 billion	Poland
15-Jul	Norton Rose Fulbright	Norton Rose Fulbright advised the Accolade Group on its acquisition and development of a new multi-tenant logistics park in Gorzow Wielkopolski, Poland.	EUR 47 million	Poland
15-Jul	Balicki Czekański Gryglewski Lewczuk; Grant Thornton; WKB Wiercinski Kwiecinski Baehr	WKB advised Orbico and Distribev Orbico on the sale of 80% of shares in the share capital of Distribev Orbico to United Beverages. Grant Thornton advised United Beverages. BCGI advised Bank Pekao S.A. on its provision of financing for the acquisition.	N/A	Poland
15-Jul	Gessel	Gessel advised Creepy Jar and Ipopema Securities shareholders on the sale of Creepy Jar shares in a public offering via an accelerated book-building procedure.	PLN 45 million	Poland
18-Jun	Tuca Zbarcea & Asociatii	Tuca Zbarcea & Asociatii successfully represented the Romanian Tennis Federation, led by former world tennis star Ion Tiriac, against several challenges to the registration of the new board.	N/A	Romania
22-Jun	BPV Grigorescu Stefanica; CEE Attorneys	CEE Attorneys Boanta, Gidei si Asociatii advised the Sparking Capital investment fund on financing granted to the Romanian start-up K Factory. BPV Grigorescu Stefanica advised K-Factory on the deal.	N/A	Romania
23-Jun	Kinstellar	Kinstellar advised FirstFarms, a Denmark-based land and agriculture investor in Eastern Europe, on the sale of a farm covering approximately 1,700 hectares in Western Romania.	EUR 11.4 million	Romania
23-Jun	DLA Piper; Stratulat Albuiescu	Stratulat Albuiescu advised CODA Intelligence on a EUR 800,000 seed funding round led by Romanian Early Game Ventures and including technology investment fund ROCA X and other angel investors. DLA Piper advised Early Game Ventures on the deal.	EUR 800,000	Romania
29-Jun	DLA Piper	DLA Piper advised Early Game Ventures on financing provided to Humans DNA, a Romanian startup developing the technology for generating synthetic media. ROCA X and other angel investors also participated in the EUR 330,000 financing round.	EUR 330,000	Romania
30-Jun	Cazacu, Manolache, Popa	Cazacu, Manolache, Popa advised a Romanian subsidiary of Raiffeisen Leasing on the sale of a large plot of land in Aleea Viilor in Timisoara, Romania.	N/A	Romania

Date covered	Firms Involved	Deal/Litigation	Value	Country
8-Jul	Radulescu & Musoi; Schoenherr	Radulescu & Musoi advised Black Sea Fund I on its acquisition of an unspecified stake in interior design and custom furniture company Intermedio General, which operates under the Theta brand. Schoenherr advised the seller.	N/A	Romania
9-Jul	CEE Attorneys; Digital 2 Law	CEE Attorneys Boanta, Gidei si Asociatii advised the Sparking Capital investment fund on the financing of Romanian start-up Questo. Digital 2 Law advised Questo on the deal.	N/A	Romania
13-Jul	EY Law (Radu Si Asociatii)	Acting on behalf of Chep Equipment Pooling NV, the tax litigation practice of Radu si Asociatii obtained a ruling from the Court of Justice of the European Union on the right of non-resident taxpayers to obtain VAT refunds.	N/A	Romania
23-Jun	Debevoise	Debevoise & Plimpton advised Sberbank on the acquisition of a 75% stake in 2GIS, an international digital maps and city guides company that provides "geo-information and hyperlocal services."	N/A	Russia
23-Jun	DLA Piper; Herbert Smith Freehills	DLA Piper advised Veon Holdings B.V. on the RUB 100 billion refinancing of its facilities with Russia's Sberbank. Herbert Smith Freehills advised Sberbank.	RUB 100 billion	Russia
29-Jun	Herbert Smith Freehills	Herbert Smith Freehills advised RusChemAlliance, a joint venture of Gazprom and RusGazDobycha, on the Baltic LNG integrated gas processing and LNG project.	N/A	Russia
30-Jun	Bryan Cave Leighton Paisner	Bryan Cave Leighton Paisner advised Sberbank Investments LLC on the acquisition of a 50% interest in Mayak LLC and Prima LLC, which are implementing projects related to the construction of a five-star hotel and apartments in Moscow.	N/A	Russia
7-Jul	Liniya Prava	Liniya Prava assisted DNS Development with preparations for the first ever public-private partnership to build a school and kindergarten in the Primorsky Krai territory of the Russian Far East.	N/A	Russia
10-Jul	CMS	CMS helped money transfer provider MoneyGram register as an operator of a foreign payment system with the Central Bank of the Russian Federation.	N/A	Russia
15-Jul	CMS	CMS Moscow successfully represented the interests of GE Healthcare in several court proceedings against the Russian healthcare regulatory authority Roszdravnadzor.	N/A	Russia
16-Jun	Karanovic & Partners	Karanovic & Partners advised Serbian IT company 3Lateral on its EUR 7.7 million acquisition of a 6,500-square-meter lot from the City of Novi Sad.	EUR 7.7 million	Serbia
23-Jun	JPM Jankovic Popovic Mitic	JPM Jankovic Popovic Mitic advised sellers Milija Babovic and Apsara on the sale of a 67% stake in the Victoria Group to the MK Group.	N/A	Serbia
29-Jun	NKO Partners	NKO Partners helped Konica Minolta Serbia, a part of a Japanese multinational technology company, obtain a favorable judgment from the Administrative Court of Serbia, which annulled a fine previously levied against the company by the Serbian Competition Commission for allegedly entering into restrictive agreements.	N/A	Serbia
2-Jul	Zivkovic Samardzic	Zivkovic Samardzic achieved a victory in the Appellate Court in Belgrade for the Crime and Corruption Reporting Network (KRIK), a non-profit organization established to improve investigative journalism in Serbia.	N/A	Serbia
3-Jul	CMS; Nko Partners	NKO Partners advised industrial real estate developer CTP on a EUR 16.5 million financing for its real estate projects in Serbia from Raiffeisen Bank Serbia. CMS advised Raiffeisen Bank on the transaction.	EUR 16.5 million	Serbia
6-Jul	Bojovic Draskovic Popovic & Partners	Bojovic Draskovic Popovic & Partners is advising PEPCO on its plans to enter the Serbian market.	N/a	Serbia
9-Jul	Bartosik Svaby	Bartosik Svaby advised the Eterus Capital fund on its EUR 1.5 million acquisition of a 12.36% stake in Eyerim.	EUR 1.5 million	Slovakia
9-Jul	ODI Law	ODI Law advised Hranilnica Lon on a new issuance of shares.	N/A	Slovenia
26-Jun	BTS & Partners	BTS & Partners advised the Growth Circuit venture capital firm on an unspecified investment in Invidyo – a developer of child monitoring devices that rely on artificial intelligence.	N/A	Turkey
8-Jul	BTS & Partners; Uysal Law Firm	BTS & Partners advised QNBeyond Ventures, the venture arm of QNB Finansbank, on an unspecified investment in cloud-based accounting software and financial application platform Kolaybi. The Uysal Law Firm advised Kolaybi's shareholders, including its founders and HUB Venture Capital.	N/A	Turkey

Date covered	Firms Involved	Deal/Litigation	Value	Country
8-Jul	Cakmak	Cakmak advised Landesbank Baden-Wurttemberg and KfW IPEX-Bank GmbH on the financing of 132 MW Phase 2 investment in Lodos Karaburun Elektrik Uretim A.S's wind farm in the Izmir province of Turkey.	USD 134.5 million	Turkey
10-Jul	Caliskan Okkan Toker; Travers Smith; Turunc	The Turunc Law Firm, working alongside Travers Smith, represented Micro Focus in its acquisition of Atar Labs from founders Burak Dayioglu, Murat Tora, and Gokhan Say and investor Diffusion Capital Partners. The sellers were represented by Caliskan Okkan Toker.	N/A	Turkey
15-Jul	Akol Law Firm; CMS (Yalcin Babalioglu Kemahli Attorney Partnership); Turunc; Yondem Yigit Uclertopragi	The Turunc Law Firm advised a group of private investors led by Cetin Yilmaz on their acquisition of MCI's majority stake in online travel agency Tatilbudur from Polish private equity fund MCI. The Yalcin Babalioglu Kemahli Attorney Partnership advised MCI on the deal, while Akol Law advised shareholder Is Girisim. Tatilbudur was advised by Yondem Yigit Uclertopragi.	N/A	Turkey
17-Jun	Sayenko Kharenko	Sayenko Kharenko successfully represented the interests of PJSC Manufacturing Association Stalkanat-Silur in a sunset review of antidumping measures against the import of wire ropes originating from China into Ukraine.	N/A	Ukraine
17-Jun	Sayenko Kharenko	Sayenko Kharenko advised JSC Novokramatorsky Machine Building Plant in a sunset review of anti-dumping measures against the import of casting rollers originating from Ukraine into the Eurasian Economic Union.	N/A	Ukraine
19-Jun	Aver Lex	Aver Lex persuaded Ukraine's cassation Administrative Court to uphold the judgments of lower courts that the dismissal of Ukraine's Sergey Bochkovskiy from the Head of the Emergency Service of Ukraine was unlawful and groundless.	N/A	Ukraine
19-Jun	Esquires Attorneys At Law	Esquires successfully defended Solum LLC in a dispute over real estate property rights valued at USD 8.5 million.	USD 8.5 million	Ukraine
22-Jun	Ilyashev & Partners	Ilyashev & Partners persuaded the District Administrative Court of Kyiv to suspend the June 9, 2020 decision of the General Director of Ukroboronprom, Aivaras Abromavicius, dismissing Oleksandr Donets, the president of the Antonov State Enterprise.	N/A	Ukraine
26-Jun	Sayenko Kharenko	Sayenko Kharenko helped the EBRD prepare its input into Ukraine's new law On Amendments to Certain Legal Acts to Facilitate Attraction of Investments and to Introduce New Financial Instruments.	N/A	Ukraine
1-Jul	Asters	Asters advised the EBRD on a EUR 25 million loan to Yuria-Pharm, a Ukrainian manufacturer of intensive care medicines, medical devices, and antiseptics.	EUR 25 million	Ukraine
3-Jul	Doubinsky & Osharova	Doubinsky & Osharova successfully represented Jack Daniel before the Ukrainian Supreme Court in a trademark dispute.	N/A	Ukraine
6-Jul	CMS; Everlegal	Everlegal advised the first innovation park in Ukraine, UNIT.City, on its receipt of EUR 50 million in financing from the European Investment Bank. CMS advised EIB on the deal.	EUR 50 million	Ukraine
7-Jul	Aequo	Aequo advised Dragon Capital on the acquisition of a six-story building in Kyiv.	N/A	Ukraine
8-Jul		Asters advised the EBRD on financing provided to the Grain Alliance Group.	N/A	Ukraine
8-Jul	Ilyashev & Partners	Ilyashev & Partners successfully represented JS Corrugating Machinery Co. Ltd. in the Kyiv Court of Appeals, which upheld the recognition and enforcement in Ukraine of China International Economic and Trade Arbitration Commission's USD 5 million award in favor of the company against LLC South Cardboard Ukraine, plus penalties and arbitration fees.	USD 5 million	Ukraine



### The Ticker:

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

### Did We Miss Something?

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

# ON THE MOVE: NEW HOMES AND FRIENDS

## **Russia: Rybalkin, Gortsunyan & Partners Sets Up RGP Advocates Bureau**

Rybalkin, Gortsunyan & Partners has launched the RGP Advocates Bureau, a separate-but-connected legal entity for the firm's dispute resolution/litigation/arbitration lawyers, with the Arbitration practice to be led by former Egorov, Puginsky, Afanasiev & Partners Co-Head of Litigation Dmitry Dyakin and the Litigation & Investigations practice to be led by Partner Ilya Rybalkin.

"In these challenging times, we have managed to dramatically enhance our team with outstanding professionals, and together we will continue to create a unique Russian legal firm and defend our clients in the most complex disputes in Russia and across the world," commented Partner Ilya Rybalkin. ■

## **Poland: JS Legal and Zieba & Partners Merge to Form B2RLaw**

Poland's JS Legal and Zieba & Partners law firms have merged to form B2R Law Jankowski Stroinski Zieba.

According to B2RLaw, "in February 2020 the partners of JS Legal (established by Bartlomiej Jankowski and Rafal Stroinski) and Zieba & Partners (established by Rafal Zieba) voted to merge. The new firm will be known as B2R Law Jankowski Stroinski Zieba (commonly known as B2RLaw) and will consist of 14 partners and in excess of 70 lawyers, with nearly 85 staff in total."

According to B2RLaw, "the combination is the first-ever merger of two similar medium-sized Polish law firms to form one of the largest firms in Poland." The firm will be structured, it reports, around thirty-two practices falling into four categories: Advisory, Contentious, Regulatory, and Transactional. In addition, B2RLaw reports, "the firm will be based on three core pillars – Transactions, with no less than six partners focused on Corporate, M&A (including Private Equity and Venture Capital) and Finance chaired by Senior Partner Rafal Stroinski; Disputes and Investigations with four partners chaired by Senior Partner Bartlomiej Jankowski; and Real Estate, Infrastructure and Construction chaired by Senior Partner Rafal Zieba. However, the firm will host a number of practices ranging from Data Protection to Tax."

The new firm will begin with offices in Warsaw, Krakow, and Katowice, though it claims to have "exciting plans for future expansion." ■

## **Romania: MPR Partners | Maravela, Popescu & Asociatii Rebrands After Departure of Ioan Roman**

MPR Partners | Maravela, Popescu & Roman law firm in Romania has announced "the cessation of the professional partnership with attorney Ioan Roman," and the firm's consequent rebranding as MPR Partners | Maravela, Popescu & Asociatii.

According to a brief statement released by MPR Partners, after Roman's departure, "the rest of the team, the irreplaceable quality of the services, client care and orientation remain unchanged. The official pages of the firm remain equally unaltered." ■

## **Hungary: Jalsovszky Launches Capital Markets & Regulatory Practice**

Hungary's Jalsovszky law firm has announced that, going forward, its Capital Markets & Regulatory Group will operate as an independent practice.

According to the firm, "Jalsovszky has a long history of servicing investment funds and investment fund managers. This will continue to be one of the strongest areas of the separate practice. Otherwise, the [range of] activities covered by the practice is wide, ranging from the regulatory affairs of financial institutions to bond issuance and stock market transactions. Apart from Hungarian domestic advice, the lawyers of the practice also have an understanding of the complex EU regulation of this area."

The new Capital Markets & Regulatory practice will work, the firm reports, "in strong co-operation with the Tax advisory focus of the firm." It will be led by Managing Partner Pal Jalsovszky and include Attorney Akos Barati (whom the firm describes as "the key operative figure of the new practice") and Junior Associate Eszter Berki. ■

## PARTNER APPOINTMENTS

Date Covered	Name	Practice(s)	Firm	Country
3-Jul	Clara Gordon	Corporate/M&A	Wolf Theiss	Austria
3-Jul	Matthias Schimka	Banking/Finance	Wolf Theiss	Austria
3-Jul	Robert Wagner	Competition	Wolf Theiss	Austria
15-Jul	Christopher Engel	Corporate/M&A	Eisenberger & Herzog	Austria
15-Jul	Laurenz Liedermann	Banking/Finance; Corporate/M&A	Eisenberger & Herzog	Austria
18-Jun	Franka Baica	Corporate/M&A; Real Estate	Ilej & Partners	Croatia
3-Jul	Dora Gazi Kovacevic	Corporate/M&A	Wolf Theiss	Croatia
3-Jul	Sasa Jovicic	Infrastructure/PPP/Public Procurement	Wolf Theiss	Croatia
17-Jun	Lukas Duffek	Litigation/Disputes	Rowan Legal	Czech Republic
3-Jul	Harry Karampelis	Litigation/Disputes; White Collar Crime	Lambadarios	Greece
24-Jun	Andras Fenyohazi	Real Estate	Cerha Hempel	Hungary
2-Jul	Boglarka Borbely	Infrastructure/PPP/Public Procurement	SBGK	Hungary
2-Jul	Adam Gyorgy	TMT/IP	SBGK	Hungary
2-Jul	Krisztian Osztopani	TMT/IP	SBGK	Hungary
6-Jul	Marcin Pieklak	Banking/Finance; Life Sciences	Domanski Zakrzewski Palinka	Poland
22-Jun	Simina Mut	Banking/Finance	Reff and Associates	Romania
3-Jul	Pavel Novikov	Insolvency; Restructuring	Baker McKenzie	Russia
26-Jun	Maksym Sysoiev	Energy/Natural Resources	Dentons	Ukraine

## PARTNER MOVES

Date Covered	Name	Practice(s)	Moving From	Moving To	Country
3-Jul	Martin Fronek	Insolvency; Restructuring	Dentons	White & Case	Czech Republic
13-Jul	Kirsti Pent	Banking/Finance	Fort Legal	TGS Baltic	Estonia
2-Jul	Joanna Wojnarowska	Real Estate	Baker McKenzie	DWF	Poland
8-Jul	Constantin Branzan	Litigation/Disputes	N/A	Popescu & Asociatii	Romania
10-Jul	Nickolas Likhachov	Banking/Finance	Spensers	Eterna Law	Ukraine
10-Jul	Nataliia Korovyakovskaya	Litigation/Disputes	Nemiroff Group	Eterna Law	Ukraine

# IN AND OUT: GC MOVES



## Hungary: Jozsef Antal Becomes Head of Legal and Compliance at Metro Cash & Carry

Jozsef Antal, the former Chief Legal Counsel at Unix Auto, has become the new Head of Legal and Compliance at Metro Cash & Carry Hungary.

Antal joined Unix Auto in 2019 (as reported by CEE Legal Matters on July 9, 2019). Before moving in-house, he was Partner and Head of Dispute Resolution at Baker McKenzie, a firm he first joined in 1999.

In explaining his move, Antal reported that he has “been driven to find my real place in a more international and inspiring environment, with an equal focus on compliance matters.” ■

(January 21, 2020)



## Poland: Niewiadomska-Siniecka Joins Vodeno General Counsel

Dominika Niewiadomska-Siniecka has joined Vodeno as General Counsel and Head of Compliance.

Niewiadomska-Siniecka started her legal career in 2001 with Clifford Chance, then in 2002 moved to Beiten Burkhardt, where she spent six years before moving to CMS. She joined mobile operator Play in 2009 and became Head of Legal in 2010. In 2018 she moved to Brussels to become the General Counsel of Aion – a subscription-only digital bank.

Niewiadomska-Siniecka explained for CEEIHM that “I decided to leave Play to participate in a very exciting project: building a Pan European bank in Belgium – Aion. The project was confidential, so I couldn’t disclose it until its commercial launch, which is now. The project was very complex, starting from the purchase of a bank, the creation of innovative banking products, the digital transformation of the bank, and the process of setting up the commercial launch. After completing my tasks there, I received an offer to become the General Counsel and

Head of Compliance of the Vodeno technology company – also a company from the Warburg Pincus group, which provided the Aion technology solution. Vodeno intends to provide a ‘bank in the box’ solution to clinics around the world. My task is to reset all processes in the company, create a legal strategy, and take care of compliance. It seems to be another exciting and currently very trendy project.” ■

(March 16, 2020)



## Hungary: Adrienn Trinn Becomes Head of Legal at Budapest’s TV2

Hungary’s Jalsovszky law firm has announced that, going forward, its Capital Markets & Regulatory Group will operate as an independent practice.

According to the firm, “Jalsovszky has a long history of servicing investment funds and investment fund managers. This will continue to be one of the strongest areas of the separate practice. Otherwise, the [range of] activities covered by the practice is wide, ranging from the regulatory affairs of financial institutions to bond issuance and stock

market transactions. Apart from Hungarian domestic advice, the lawyers of the practice also have an understanding of the complex EU regulation of this area.”

The new Capital Markets & Regulatory practice will work, the firm reports, “in strong co-operation with the Tax advisory focus of the firm.” It will be led by Managing Partner Pal Jalsovszky and include Attorney Akos Barati (whom the firm describes as “the key operative figure of the new practice”) and Junior Associate Eszter Berki. ■

(March 17, 2020)



### Turkey: Basak Gurbuz Becomes Senior Regional Counsel at Visa

Basak Gurbuz, the former Counsel & Director responsible for legal matters in Turkey at The Walt Disney Company, has now joined Visa as its Senior Regional Counsel for South-Eastern Europe, where she will be responsible for nine jurisdictions: Bulgaria, Croatia, Cyprus, Greece, Israel, Malta, Romania, Slovenia, and Turkey.

Gurbuz joins the digital payments company after over four years with The Walt Disney Company. Before moving in-house in 2015, she was a managing associate with Gun + Partners, a firm she first joined as an associate in 2008. Earlier still she spent two years with PeKin & Bayar. Gurbuz has also practiced with the Yazici Law Firm, the Kasaroglu Law Firm, and Bayindir Holding. ■

(March 20, 2020)



### Turkey: Ceren Arslan Becomes VP Legal at Bilgili Holding

Former Klepierre Head of Legal Ceren Arslan has joined Bilgili Holding as its new Vice President Legal in Turkey.

Bilgili Holding is a privately-owned real estate development company. Its completed projects include Akaretler Siraevler, the W Istanbul, the A'jia Hotel, and the Radisson Blu Conference & Airport Hotel Istanbul.

Arslan became Head of Legal at Klepierre in July 2016. Her career has included several roles in private practice, as well as in-house positions with Carrefour, Marintek, and AvivaSA. ■

(April 22, 2020)



### Poland: Maciej Szczepanski Becomes European Head of Legal at OLX Group

Maciej Szczepanski has been promoted to Head of Legal Europe at the OLX Group.

Szczepanski started his in-house career with the Allegro Group in 2011 as an in-house lawyer dedicated to Naspers'

e-commerce. In April, 2014 he was appointed Senior In-House Lawyer, a role he held for two and a half years, until Naspers disposed of its entire stake in the Allegro Group to the Cinven, Permira, and Mid Europa funds.

Szczepanski stayed with Allegro, and in December 2016 he took on the role of Head of Legal OLX Group Poland & Letgo Central Europe (in 2014, several websites belonging to the Naspers Group in countries such as Bulgaria, Hungary, Poland, Kazakhstan, and Belarus had undergone a rebranding process, changing their names to OLX). In June, 2017, he also took on the role of Commercial Proxy / Prokurent OLX Group Poland. According to Szczepanski, the OLX Group is “the world’s fastest-growing marketplaces network, serving more than 350 million people every month.”

Before moving in-house, Szczepanski spent three years with the Chalas i Wspolnica Law Firm.

“This is another step on the path of professional growth within the Naspers/Prosus capital group, with which I have been associated since 2011,” Szczepanski explained. “It is also a great opportunity to develop legal competences by working with excellent lawyers supporting many e-commerce business models around the world. I am particularly grateful for the opportunity to take this position and I am optimistic about the future and new challenges on the European market.” ■

(April 22, 2020)



### **Hungary: Balazs Toth Joins TnCO (Cetin) as Legal Director in Hungary**

Balazs Toth has joined Telenor Common Operation as its new Legal Director in Hungary in April, 2020. Starting July 1, he became the Legal Director of Cetin, following Cetin Hungary's demerger from Telenor Hungary.

TnCO was a technology service provider delivering network and IT services to Telenor business units. The company was established on October 1, 2013, to share the technical expertise and resources of the four CEE Telenor subsidiaries. It is headquartered in Torokbalint (Hungary), with branch offices in Belgrade, Sofia, and Podgorica. By way of de-merger from Telenor Hungary, it became Cetin Hungary as of July 1, 2020.

Toth started his post-bar legal career in 1999 at the Radvanyi & Varga Law Firm in Budapest. In 2000 he left that firm to join the Oracle Corporation as its Legal Director and Compliance Officer for Hungary, Serbia, Bulgaria, and Montenegro. He spent almost sixteen years at Oracle before moving to Semmelweis University's Innovation Centre, where he dealt with the legal aspects of medical and biotechnological inventions, various R&D&I projects and managed the technology transfer agenda from a legal perspective. In 2017

he became Head of Legal at the DHL Group, where he was responsible for the four DHL companies in Hungary and was a member of the company's Global e-Commerce Practice Group. Before joining TnCO on April 1, 2020, he was Chief Legal Counsel for Dreher Breweries, a member of the Asahi Group.

"The dynamics of the telco business and the role of legal departments have changed significantly over the years and I'm thrilled to have the opportunity to re-build the legal department and the legal processes at TnCO," Toth said when joining TnCO in April. "Exciting times are ahead of us and I'm looking forward to using my expertise and experience to contribute to the success of such a state-of-the-art and innovative company as TnCO." ■

(April 28 and July 1, 2020)



### **Turkey: Former Paksoy Partner Selin Barlin Aral Becomes Chief Legal Officer at Getir**

Former Paksoy Partner Selin Barlin Aral has become the Chief Legal Officer at Getir, an Istanbul-based technology company founded in 2015 that allows users to order a wide range of products and promises an average delivery time of ten minutes.

Early in her career, Aral worked as an attorney at the Solmaz Customs Consultancy Co. In 2010 she moved to Paksoy, where, in 2018, she became Counsel. In 2019, she was promoted to Partner.

"I am very happy and excited to be joining Getir, which is one of the few Turkish start-ups on the verge of becoming a unicorn!" Aral said about the move. ■

(May 6, 2020)

### **Turkey: Former Herguner Partner Bige Yucel Joins Siemens as Deputy General Counsel**

Former Herguner Bilgen Ozeke Partner Bige Yucel has joined Siemens as its Deputy General Counsel in Istanbul.

Yucel spent almost 15 years with Herguner Bilgen Ozeke, where she made Partner in 2016. Before joining Herguner, she worked for one and a half years at the Bicakci & Tanverdi law firm. ■

(May 6, 2020)



### **Poland: Bayer Promotes Krzysztof Mazurek to Regional Legal & Compliance Operations - Head Team EMEA**

Krzysztof Mazurek, former Legal & Compliance Director for CEE at Bayer, has been promoted to Regional Legal & Compliance Operations - Head Team EMEA.

Mazurek started his career in private practice with CMS in 2007. In 2011, he joined White & Case for almost one year, after which he moved in-house to become Legal Counsel for the Central European Cluster of Eli Lilly. In 2013, his role was expanded to include Por-

tugal. He moved to Bayer in 2015 as a board member and Legal & Compliance Director CEE. In 2017, he also took on the role of Global Anticorruption Lead, responsible for the Anti-Corruption area of Bayer's global Compliance Program.

"I am excited about the challenge of building a team of approximately 40 professionals working across Europe, the Middle East, and Africa on compliance, privacy, and investigations processes," Mazurek said. "My key objectives will be to: 1) ensure we can efficiently support the Bayer business in the countries using above-country expertise, and 2) work with HQ and local legal & compliance colleagues so that the global solutions and service delivery models fit local markets and business needs." ■

(May 6, 2020)



### Hungary: Alpha Blue Ocean Hires Former Dentons Budapest Partner Edward Keller as GC

Former Dentons Partner Edward Keller has joined alternative investment firm Alpha Blue Ocean as General Counsel and Chief Legal Officer.

Keller was part of White & Case's Budapest office, which moved in its entirety to Dentons in 2015. He first joined White & Case in 2000.

"After 20 years of private practice it was time for a new challenge and to get involved more on the business side," Keller explained. "ABO is an incredi-

ble and very dynamic group and I am really excited to be part of the team. My practice at Dentons was going well, which made the decision difficult, but ABO was increasingly becoming my biggest client and the work with them was incredibly gratifying, which led to my ultimate decision to join them. I am looking forward to being a client of Dentons now." ■

(May 14, 2020)



### Romania: Florina Homeghiu Joins Policolor-Orgachim as Legal and Compliance Group Director

Florina Homeghiu has joined the Policolor-Orgachim group as its new Legal and Compliance Group Director in Romania.

Policolor was founded in 1965 in Romania and the Policolor-Orgachim Group was created in August 1998, after Policolor acquired shares of Orgachim JSC in Bulgaria. According to Homeghiu, the Policolor-Orgachim group is "the regional leader in the field of paint and varnish technology in the South-Eastern European area."

Homeghiu started her legal career with Konecna & Safar in 2007. In 2010 she moved to Fine Law Patrascanu & Asociatii and then joined Ciurtin, Brasoveanu and Associates in 2012. Her last role in private practice was with CMS, which she joined in 2014.

She then joined Coca-Cola Hellenic Bottling Company – Romania as a Senior Legal Counsel in 2017. In 2018, she was appointed Country Legal Manager and Compliance Manager, a position that she held until moving to Policolor.

"The group of companies produces and provides complete solutions for consumers, automotive, and industrial business," Homeghiu said. "Basically, we are helping people to use and mix colors, and to put their imagination into practice and enjoy their houses, cars, and other items which are part of their lives."

"My new role will offer the possibility to learn and grow," she continued, "from legal to new business' perspectives: it is a totally different industry than the one where I was active until recently and I need to use my knowledge and personal skills to generate value together with my team and the management colleagues. I am pleased to work for companies that created history (Policolor was established in 1965 and Orgachim in 1901), generated innovation in resins, varnishes, and paints, all while being friendly with the environment. Even if the entire world is facing this pandemic period, I made a courageous professional change, considering that no matter what happens within the market/economy, a new beginning will always find its way and is worth trying." ■

(May 14, 2020)



### **Poland: Anna Blonska Appointed Director of Legal Office at Polish Development Fund**

Anna Blonska has been promoted to Director of Legal (Investments) Office at the Polish Development Fund.

Blonska has been with the PFR – which, according to its website, is “coordinates the efforts of development institutions that support the sustainable social and economic development of the country” – since June 2018, when she joined as Senior Legal Counsel. In August, 2019, she was promoted to Senior Manager at Legal Department (Investments), a role which she held until May 2020.

Before joining the PFR, she worked from 2011 to 2018 for Weil Gotshal and Manges. From 2007 to 2011 she was an associate in Baker & McKenzie’s Securities department.

Since March 2019, Blonska has also been the Chairman of the Supervisory Board of PFR Ventures – a fund of funds manager which, together with private investors, business angels, and corporations, invests in venture capital and private equity funds.

“I am really excited to take on this new role, where I will be responsible for the supervision and legal aspects of the investments carried out by Polski Fundusz Rozwoju S.A.,” Blonska told CEEIHM. [See page 68, for an interview with Blonska and her team at the PFR]. ■

**(June 4, 2020)**



### **Poland: Marek Szydowski Becomes General Counsel at Komputronik**

Former Grupa TVN Chief Legal Officer Marek Szydowski has joined Komputronik S.A as General Counsel.

According to Szydowski, “Komputronik, being in administration, is at a certain turning point, and being a general counsel there is an exciting opportunity to use my knowledge and experience to ensure that this turning point has a successful outcome.”

Szydowski started his career with Coopers & Lybrand in 1993. In January 1995 he joined CMS, then moved in-house to Provident Polska as the Legal Director in November 2000, before become Group General Counsel at Agora SA in November 2002. In 2009 he moved back into private practice, joining Wardynski & Partners. In 2013 he joined the TVN Group as General Counsel, then, in 2016, he became Chief Legal Officer and member of the management board of TVN S.A., as well as becoming a member of supervisory boards of other TVN Group companies and a member of the supervisory board of ITI Neovision S.A. (the operator of the “nc+” platform).

During his time with the TVN Group, the majority stake in the broadcaster was sold by Groupe Canal+ and the ITI Group to US media group Scripps Networks Interactive. ■

**(June 9, 2020)**



### **Romania: Mihaela Popescu to Lead Compliance Function for Idea Bank in Romania**

Mihaela Popescu, the former Legal & Compliance Director at GetBack Recovery Romania, has joined Idea Bank Romania as its new General Compliance Head.

Before joining GetBack Recovery in 2017, Popescu was the Head of Legal & Compliance at Mercedes-Benz Financial Services Romania. She has also spent a year and a half as Legal Counsel at Intesa SanPaolo Leasing and Intesa SanPaolo Bank, preceded by almost seven years as Legal Counsel for Planet Leasing & Factoring.

“With quite broad expertise on the legal side of things, it was time for me to deepen my knowledge in compliance, but in a banking setting this time, as they have higher standards in this area, which needs to be aligned first of all with the requirements of the central bank,” Popescu explained. “Thus I took the opportunity given to me to be General Compliance Head in Idea Bank – an independent entity of the Getin Holding group, one of the most dynamic financial groups in CEE.” ■

**(July 3, 2020)**



### Romania: Former UiPath General Counsel Vasile Tiple Becomes Head of Legal Automation to Launch New Business Line

Vasile Tiple, the first in-house counsel and former General Counsel of UiPath, has become the company's Head of Legal Automation – in which capacity he intends to develop a new and expanded Legal Automation Program as part of the UiPath business offering.

In his new role, Tiple is putting a dedicated cross-functional team in place, with specific legal, technical, pre-sales, sales, and customer success expertise towards designing, implementing, and promoting legal automation solutions. According to Tiple, the initiative originated in one of the most successful projects he created as UiPath GC: A Legal Automation Program through which he implemented, for the first time, legal robots at scale to execute vital company processes while, at the same time, creating a venue for discussion within the legal industry on “how new technologies and automation can help bring Legal into the 21st century.” [See page 70, for an interview with Tiple where he talks about the first of these initiatives – the sArb robot]

UiPath was founded as DeskOver in

2005, in Bucharest, to build automation scripts. In 2012, the company switched its focus to Robotic Process Automation. It concluded a EUR 30 million Series A investment round in 2017 with Earlybird Venture Capital, Credo Ventures, and Seedcamp as participants. In 2018, Accel Partners was the lead investor in a USD 153 million Series B funding round for the company, bringing the company to a USD 1.1 billion valuation – making it the first Romanian tech start-up to reach that level.

Tiple started his legal career as a legal adviser with Transparency International Romania in 2010. In June 2012, he joined Fashion Days Shopping, then took on the role of Senior Legal Specialist with Adobe in October of the same year. He assumed the first permanent in-house legal role with UiPath in 2016, and he ultimately became the General Counsel of the company, which involved, Tiple says, “building the in-house legal team, setting up essential procedures for the company to scale up in a legally safe and operationally efficient manner, and overseeing the financing rounds.”

Tiple reports that once he achieved the “objective of creating a self-sufficient team covering all critical processes of the company and as the company stabilized its operations and successfully completed series A, B, C and D financing, the company started to explore IPO opportunities as a US-company so a US-based based GC was brought in.” In May 2019, UiPath announced it named former SAP Executive Brad

Brubaker as Chief Legal Officer, General Counsel to “support the company’s continued global growth.”

Now that the transition is done, Tiple moved outside of the legal team to “develop and grow a separate line of business – one of his first successful projects: Legal Automation.” The next challenge is to take what he describes as a project originally initiated for the in-house legal function and transform it into a new business line for the company while continuing to scale up the project. As such, he extended the scope of the initial project to a more commercial approach to ensure the success of the initiative with all UiPath customers and partners. He now works to identify and include specific legal-focused features which can be added to the UiPath Platform roadmap from an early product development stage (such as ML/AI and document understanding capabilities for contracts and legal provisions) to establishing partnerships with key legal and tech vendors (to extend UiPath partner ecosystem to cover legal and compliance services), to designing and implementing new licensing models to address specific solution requirements, design the go-to-market strategy, and identify opportunities for improving legal and compliance processes with the goal of making UiPath Platform the go-to automation suite for the legal industry. ■

(May 14, 2020)



#### GC Moves:

■ Full information available at: [www.cceinhousematters.com](http://www.cceinhousematters.com)  
 ■ Period Covered:  
 January 1, 2020 - July 15, 2020

#### Did We Miss Something?

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

# THE BUZZ

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

## Serbia

### Interview with Kruna Savovic of Zivkovic Samardzic



Kruna Savovic

“Having our democratic system endure the dire political situation that the country finds itself in right now is a huge challenge,” says Kruna Savovic, Partner at Zivkovic Samardzic in Belgrade, about the current situation in Serbia.

“I’m afraid that it will be a battle for survival,” Savovic says. She believes that the government that will be formed following the June 21 parliamentary elections will “keep working on the foundations of the previous one – which is to say that similar people will be the ones forming it.” In addition, Savovic says, the ongoing COVID-19 situation only

adds to the hardship. “I want to believe that everybody values human lives above everything else,” she says, “but I cannot shake the feeling that it too is becoming relativized.”

In fact, Savovic says, the government made one very “problematic” move in particular. “A resolution was passed designating the government-controlled crisis HQ as the only relevant source of COVID-related information,” she says. “This, in effect, meant that any other source – in particular journalists and media outlets – could be breaking the law if they were to report information from any other source.” According to her, this effectively cut the media out and put extra pressure on journalists to “slow down with reporting on the most important subject in the country at that time.”

This resolution was quickly withdrawn and voided by the government, Savovic says, but it left scars. “A reporter was arrested one night because she was cov-

ering a story about the lack of personal protection equipment in the Clinical Centre of Vojvodina, in Novi Sad,” she says. This move was highly problematic, she says, not only because it “denied the public an avenue of information when they needed it the most,” but also because it “obstructed journalistic freedom to report” when it was most critical.

Savovic says that she believes the new government will have the same goals for the future as its predecessor. “The crisis we’re facing is deep and wide,” she says, “and I am not so optimistic, but I hope that we will have human rights as our main priorities.” She thinks that those business activities that can be performed digitally will “endure for sure,” but that the ones which require close personal contact are “under serious pressure and are likely to suffer a lot. Still, I feel that we must do everything we can to mitigate the health risks, while we are aware that the huge impending economic crisis is at the door.” ■

By Andrija Djonovic (July 1)

## Russia

## Interview with Ella Omelchenko of Clifford Chance



Ella Omelchenko

“The COVID-19 crisis and the constitutional amendment vote to extend the presidential rule are two major political events on the table in Russia,” says Ella Omelchenko,

Counsel at Clifford Chance in Moscow.

In general, Omelchenko reports, people, corporations, and businesses have all adapted to the new reality. “The crisis will be a major topic for some time in the future, and its impacts will obviously be big and long-lasting,” she says. “We will need to find a way to overcome the situation, not only economically, but technologically too, in the way we work and live.”

“Local authorities have adopted a lot of new laws, such as regimes of self-isolation, for example,” she says. “These laws, which were adopted as a substitute for the classic quarantine, were imposed after the federal government empowered local authorities and encouraged

them to implement measures locally.” Otherwise, she reports, the Russian Government implemented the same kinds of public-health measures that other countries have, such as travel bans, airport- and seaport-closings, and limitations on movement.

Ultimately, she reports, the slow-down or cancellation of projects that were in the planning stages earlier in the year will end up costing billions. May jobs have been lost as a result. “Many construction projects we worked on are not able to guarantee that they can keep as many people employed,” she says. “They will have to adapt to the situation and change the way they work. People older than 65 are still not allowed to go out or work. Stringent health-care requirements will stay in effect for a long period, and all employers will have to comply with cumbersome but still unavoidable measures.”

Omelchenko reports an undeniable slow-down in investment, and she says that companies are currently focused mainly on reconsidering, reshaping, and restructuring. “The situation will affect pretty much all businesses, but it’s difficult to say which ones will sustain the most harm. It depends on the industry. The Real Estate market will be completely reshaped and largely impacted, as

will the Health and Pharma industries, which have to fight through a lot of new regulations.”

According to Omelchenko, “the M&A market is also going through a rather slow period. Investors are reconsidering their investments, although some projects that started before the COVID-19 outbreak are continuing, as their termination or suspension may be even more expensive in terms of additional costs and losses. They too might have to be restructured, but at least they are still there.”

And, she says, lawyers are staying busy. “The legal industry has successfully overcome the situation,” she says. “It generally adopted so many opportunities. The need for personal meetings and head to head communication, as well as the general need for people to communicate in business, led to more contemporary technological measures – which work just fine. We had a very successful meeting with colleagues from all over the world recently, and it was almost more convenient than before.” Count her among the believers that “the unique experience and a complete change to the way people work will continue to exist even after the crisis is gone.” ■

By Djordje Radosavljevic (July 6)

## Czech Republic

## Interview with Jan Spacil of Deloitte Legal

“The measures taken by the Czech Republic’s government during the pandemic were good and quick, but the discipline people have shown helped with the situation as well,” says Jan Spacil, Managing Partner at Deloitte Legal in Prague. “Various other countries

that didn’t work as quickly, later had to impose much stricter measures.”

As a result, Spacil says, things are “getting back to normal” in the Czech Republic, but he says the strong decline of the economy is very visible. “From a statistical point of view, the situation is even worse than what pessimists thought it would be,” he says. “I think we aren’t yet able to determine the full scale of the harm the pandemic may

have caused, but there is an obvious rise of unemployment, which, before this, was at a particularly low level in the Czech Republic.”

According to Spacil, only time will tell how



Jan Spacil



successful the measures imposed by the country's government to help the economy recover will turn out to be. "The current hot topic," he says, "is companies asking for state compensation as a way to help business run. Legally, it's a bit unclear whether the leaders of companies will be in trouble if they don't file a claim against the state and ask for compensation because they damaged the company in a way. If the company goes bankrupt because of it, they might be liable."

"Recently-adopted legislation in the Czech Republic mostly focused on measures to combat and recover from COVID-19," says Spacil. In addition, he says, multiple new laws have been drafted, despite claims by the opposition that they are designed primarily to improve the position of Prime Minister Andrej Babis. "Looking at most recent polls, it seems like people think that the biggest issue in the Czech Republic is

still corruption," Spacil sighs.

Spacil describes the country's economic dependence on its neighbors as it tries to recover from the crisis. "We are looking at the way the situation develops in Germany, as the state of their economy directly influences ours," he says. "The automotive sector was always important there, and this dependence is visible here too, as the major car manufacturer in the Czech Republic – Skoda – is owned by Volkswagen. We don't yet know how much they'll be influenced. We are closely monitoring the situation, and we hope for the best. Looking at the long term, this could be a problem."

In general, though, things seem ok, at least so far. "We have not noticed any major withdrawals in investment," he says, and most of those that started prior to the crisis are still ongoing." Indeed, there's reason for some optimism, he says. "The issues with China have caused a disturbance in the supply chain

and now some investors may focus more on European countries. Ultimately, the Czech Republic may benefit from this."

And, as elsewhere, there may be positive structural changes that come from the pandemic. "The crisis accelerated a lot of great things," Spacil says. "Several great projects were started, like digital learning programs, home working – just the digital sector improving altogether. Processes that used to take a couple of years are now quicker, and this is something that will last in the future, too." He says, "Deloitte colleagues around the world have noticed that the crisis made us skip a couple of years, and generally led to things being done faster."

Optimistically, Spacil concludes that, in times like these, the only way to get through is to "hope for the best, but be prepared for the worst." ■

By Djordje Radosavljevic (July 7)

## Estonia

### Interview with Kaupo Lepasepp of Sorainen



"Overall, Estonia is doing great as a democracy, with a solid rule of law and dedication to the EU and international cooperation," says Sorainen

Partner Kaupo Lepasepp, from

Tallin. "To be fair, we have seen a slight turn towards conservatism, even though not a harsh one. One of the members of the ruling coalition is close to right-

wing politics, so he is dictating a right-wing tone to the coalition as a whole."

Still, Lepasepp is satisfied with the overall support for democratic institutions in Estonia, which he attributes to the fact that "we were previously in a totalitarian situation, and we sure don't want it back." He explains that, "during the 1980s the country was an economic wasteland. Traveling to Hungary felt almost like going to Disneyland for me. This is what totalitarianism does to you."

He sighs at some of the changes in nearby countries. "I am sad to see that Poland and Hungary are getting close to it. Even if one doesn't care about the rule of law, at least look at the state

of the economy. We are committed to the EU, as people overall understand its importance. We are a small country, and we shouldn't try to make ourselves even smaller."

"Recent legislation in Estonia is quite boring; it's business as usual," says Lepasepp. Most of it, he says, has been concentrated in recent months on the response to COVID-19, which was similar to other countries. He believes that the Government's economic support was "good and rational because they tried hard not to throw money away, but still gave enough to companies so they wouldn't have to lay people off."

"Businesses are doing okay, mostly because measures weren't that strict," ►►►

he says. “At the end of the day, we went through the crisis pretty well and ended up with a relatively small number of cases. It’s interesting to note that at the very beginning, it looked as though we were going to suffer much more. We have an early holiday, and people were going to Austria and Italy in large numbers.”

Still, he adds, “the situation is not as good as it was at the beginning of the year. The crisis is going to have the biggest impacts on medium-sized companies, as they have neither the small costs as small ones do nor the market position of big players. People expected a ‘zombie-apocalypse’ kind of a scenario as a result of COVID-19, but that didn’t happen.” He says, “if and when the second wave hits, I expect it to be more relaxed than this one because people are prepared, they have some cash reserves ready, and hence bigger leverage over the pandemic.”

## Belarus

### Interview with Ulyana Kavalionak of BNT Attorneys

“Politics are always challenging, in both Belarus and around the world, especially given the current state of affairs,” says Ulyana Kavalionak, Partner at BNT Attorneys in Minsk. According to Kavalionak, “even though the situation was more or less the same as everywhere else, the response of the Belarusian Government was not. We never had quarantine, and people were free to choose for themselves how they were going to tackle the pandemic.”

Of course, that doesn’t mean life continued as normal. According to Kavalionak, “many companies have transferred to home working, and the way we live

Lepasepp is afraid the economic situation in German, Finland, and France may be problematic for Estonia, as “we are a dependent economy, and we are all in this together. We need a more organized global response in order to prevent a spillover effect.” He adds that the most active fields are now “start-ups, which are raising money at an accelerated pace, but also older industries, such as energy, food, and manufacturing.

In the meantime, Lepasepp says, the legal market is surviving the crisis. He reports that law firms had to close offices, but managed to implement effective home working programs. “April and May are usually busy in law firms,” he says, “but the situation helped us buy ourselves time to implement digital and online working schemes, and carry on working as usual.”

“I hope for a calmer summer, and if

has generally changed. Even without the country-wide lockdown, a lot of businesses were affected by the crisis. At the end of the day, most businesses had to cope with the problem on their own, given a late and insufficient response from the state.”

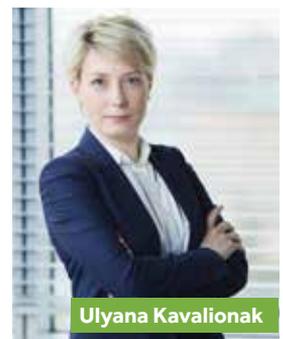
Kavalionak says that the ongoing presidential campaign is a hot topic in the country. “One of the most prolific competitors to the current president as well as several campaign aides are currently detained,” she reports. “Officially it was for reasons like corruption or money laundering or violation of the public peace. Some citizens took to the streets and those peaceful protesters were forcefully removed. Given all of that, it’s easy to see how heated the situation is.”

She describes the situation as bad for

it all goes well, dark times will be over soon,” Lepasepp says. “If you are in deep trouble, it’s always important to acknowledge it and make it better any way that you can.” He concludes that he is cautiously optimistic and that he doesn’t believe that “COVID-19 is the biggest problem we are facing, it is only making tensions more heated. If we look around the world, tensions are growing larger and larger, perhaps that’s due to the lack of debate and discussion.” He admits to concern. “This is scary. The fact that people are becoming more divided is also bad for the economy of each country because it ruins trust. People are different and in order to work together, they need trust and tolerance. I was born in an empire that was built on this kind of rhetoric, and honestly, I would not recommend it to anyone.” ■

By Djordje Radosavljevic (July 13)

business, because “it’s important not to worsen the relations with the EU, as most of our clients come from there. Last year was great in that regard. We noticed a greater interest



of business to come because of some liberalizations and also the fact that the EU and Minsk came closer together. This wasn’t only large corporations, but small and medium, too.” She sighs. “I really hope this turbulence ends soon, Belarus will have fair elections, and it doesn’t end up killing the whole thing.”

On the legislative front, Kavalionak ►►►

says, there has for many years been talk about modernizing Belarus's Labor Code, which she says is sometimes regarded as too rigid and difficult to live by, especially by foreign investors. "At the end of January this year the amendments to the Labor Code took effect, [and] among other things there was a new section dealing with remote work," she says. "This happened just in time for the COVID-19 crisis and we had an opportunity to implement the new provisions in practice. This modernization is very welcome, but interesting questions still need to be answered in practice."

## Montenegro

### Interview with Jelena Bogetic of BDK Advokati



Jelena Bogetic

"The current political situation in Montenegro could be described as turbulent," begins Jelena Bogetic, Associate at BDK Advokati, as "the recent amendments to

the country's Freedom of Religion act have spurred a lot of controversy and backlash from the public."

According to Bogetic, "the Act prescribes that all religious objects which belonged to the Montenegrin state before 1918, and the ownership of which was inscribed to the religious community without a proper legal basis, will be treated as state property." According to her, "this issue, probably, affects the Serbian Orthodox Church the most."

In the meantime, Kavalionak reports, Belarus's legal market is still going strong, as EU companies are continuing to invest in the country. "No two companies go through crises in completely the same ways, so advising them is always a challenge," she says. "The no-quarantine situation helped us remain busy, with M&A projects leading the way. Even after the situation hit its peak, law firms were active on webinars, giving free materials to support new and existing clients."

"If we sat down to have this interview some six months ago, I would have said

The government of Montenegro reacted fast and hard to the new coronavirus, locking the country down and at one point even publishing lists with the names and addresses of people who were infected and had to remain in isolation. "This initial move, while motivated by a desire to put pressure on people to stay safe and keep each other in check, sounded like it crossed data protection legislation lines," Bogetic says. She mentions that "there are NGOs that have initiated a constitutional review procedure to see if this decision was, in fact, legal – this procedure is due to end soon, and we're all waiting for the results of it."

Still, Montenegro showed some impressive results vis-à-vis the coronavirus, Bogetic says, at least for a while. "We actually had a few weeks without any newly infected people and without any active cases," she says, but she admits that the country's good fortune eventually changed. "The government made a hard turn after its health protection measures proved effective, and it opened up the borders to EU member states and some other states in the region." As a result,

that more liberalization and legislation practice coming from the EU would put Belarus on its map, with more development and investment," Kavalionak concludes. "Today, this question becomes much harder, because we have to look at how this political crisis will end up. We hope that the economy will fix itself and that autumn and winter aren't as difficult as predicted. I hope we can take all the new opportunities that have come with the crisis, and use them to make our lives better." ■

By Djordje Radosavljevic (July 17)

the COVID-19 infection numbers went back up, but Bogetic still thinks that the "government reacted timely and properly." At the time of writing, Montenegro has had only 24 deaths.

The subject moves away from the pandemic. "An interesting legislative change is the new Corporations Act," Bogetic reports. The new Act, she says, contains "a lot of improvements compared to the old law – it introduces a two-tier corporate structure, the concept of independent members of the board of directors, and regulates white-collar crime in a much more detailed fashion," which she believes adds more legal safety. "The Act allows for a much clearer path to suing a company, imposes a duty of care on management, and regulates situations which may present a conflict of interest ... a lot was done with this Act!"

Montenegro, like its Balkan neighbors North Macedonia, Serbia, and Croatia, is in an election year. "The upcoming August elections only add to the fire," Bogetic continues. The COVID-19 crisis still ongoing, and she worries that ►►►

a change in government might have adverse effects on the country's fight against the pandemic. "If the government were to change," she says, "I think

that the transition process might slow the battle against the crisis down, but if the current structure remains in place, existing measures aiming to protect the

public health and the economy would continue to be applied seamlessly." ■

By Andrija Djonovic (July 21)

## Albania

### Interview with Jola Gjuzi of Kalo & Associates

"The pandemic situation is overrun with both uncertainty and challenges, but also opportunities," says Jola Gjuzi, Partner at Kalo & Associates in Tirana. "I believe that the situation is the same for the Albanian Government as it is for businesses in the country."

Gjuzi reports that, because of the coronavirus, "some measures have been taken which affect the way we communicate." In many situations, virtual communication is proving efficient and could well redefine social interaction even in the long-term." Still, she says, "for key business matters, virtual meetings remain just an imposed substitute for face-to-face interaction."

Gjuzi notes that many companies in Albania have, in the months since the pandemic first hit, been forced to slow down and even recalibrate their portfolios. Her own industry suffered as well, she says. "In terms of law firms, the workflow was significantly reduced,

especially in litigation, and, to a certain degree, arbitration. On the other hand, many companies unable to perform contracts required swift legal advice aiming to save their deals."

Gjuzi says that, with the lifting of the restrictive measures, Governmental projects that had been put on hold have now resumed. According to her, "the bidding procedure for the award of a 140-megawatt solar power project restarted and now the Government is negotiating the concession contract with the winner. Other concession projects are being launched, such as the construction of a motorway in the Adriatic-Ionian corridor, a 400 MW hydropower plant upstream Drin River, and a new international airport in southern Albania," and she says, "all of this is a sign of hope for the future." On the other hand, although she thinks that Governmental projects are a good thing, she reports that they are often seen as a "marketing scheme put in place to attract voters for the upcoming election." Ultimately, she says, "true or not, some businesses and law firms will benefit from them."

"Meanwhile," she says, "some companies are considering claiming damages from the Government for losses suffered while the restrictive measures were in place.



Jola Gjuzi

Yet, those efforts seem to be quite theoretical. The Constitutional Court and Supreme Court are still inoperative - an undesired effect of the ongoing judicial reform mostly centered around looking into judges and their property." All of this is part of the country's attempt to satisfy EU demands. "Albania is now going through a good development period with the EU, even though that is a long process."

"At the end of the day, uncertainty in terms of what will happen is the greatest problem," she says. "We don't know a lot, but in the long run, I think there will be new opportunities in the way we do business and the way we work." ■

By Djordje Radosavljevic (July 22)



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# IN-HOUSE COUNSEL 2.0: FROM BUSINESS BLOCKER TO BUSINESS PARTNER

The value for GCs of immersing themselves in their company's business.

By Peter Ban, Head of Legal and Compliance, E.ON Hungary

Members of the legal profession are often being portrayed as complicated and difficult to deal with. These traits do not make us popular. It certainly does not help if we are called “nuclear war-heads,” used only to create a large mess like Danny DeVito in *Other People's Money*. Against the backdrop of this traditional view, we are experiencing an indisputable evolution of legal services with new solutions, digitalization, and a shifting emphasis towards in-house teams. This evolution opened up a Pandora's Box, challenging the why and how lawyers work within a business organization. This change may help us reverse the view – at least among the people we work with – that lawyers exist to make life more difficult.

In the 1990s, I embarked on the journey of studying a traditional law curriculum focused on digesting vast amounts of information. Fresh graduates had little clue what being a lawyer actually meant. If one was lucky to work for a good firm after graduation, he or she was shown the ropes – the basics of the trade: precision, work ethics, and how to draft a good contract (which is not an easy task). If you managed to advance in the ranks, new challenges emerged:

dealing with easy and difficult client relationships, pitches, and marketing. At this point, most people realized that, in order to excel, it is not enough to be technically competent. The best lawyers are those who understand business and are able to manage expectations and relationships and are able to build a good team.

During the course of my career, I was lucky to work on both sides of the fence. When I moved in-house, my friends commented that I was lucky to be able to get rid of the marketing duties. Reality showed that being in-house did not mean that I could forget about client relationships. In fact, it turned out to be rather the opposite: in-house you are often expected to do much more of it as you live and breathe the business.

In theory, a business organization does not need to have an in-house service as there are specialists who can be engaged at any point to address a problem. This is an existing belief in the market and could work well for smaller companies. For a major organization, where the business is faced with complex, ever-changing regulations, disruptions from competitors, and technology and digitization, the need to engage with

different stakeholders on a strategic level is ever-present. Add to this mix the internal complexity of a major organization, meaning lawyers need to assist the decision-making process while following internal rules, and the need to have a new breed of business lawyers is created.

Traditionally the principal role of lawyers was to handle litigation. Legal support was reactive – lawyers dealt with cases where something went wrong. A reactive role meant that the in-house team was mainly interested in avoiding negative outcomes, earning the reputation of “business blockers.” Due to this perception, the business side was often reluctant to involve legal. I often heard the line: “Do I need to clear this? If I go to him, he will kill it immediately.” This lack of cooperation created a downward spiral in the relationship. On one hand, the legal team had a narrow definition of what they wanted to do: focused on litigation, and dealing with after-the-fact issues. On the other hand, the business side formulated a view on a wide range of topics perceived as a pure business task. We know that there is little black and white – there are no real pure legal or pure business considerations. This



Peter Ban

created a hotbed of misunderstanding and a source of constant conflicts. We are probably all familiar with receiving an e-mail with “just a simple question,” which does not feel right – where the context is missing. E-mails like this that are answered without first learning the business background always lead to finger-pointing and unnecessary conflicts down the line.

This setup meant that, irrespective of how well you are doing your job, ultimately, you are destined to fail. Irrespective of time and place, if you take the time to ask your colleagues for additional information, this approach is a source of frustration to everyone involved. It is like a relationship when both the wife and husband are unhappy, but nobody wants a divorce. This meant that we need to build a relationship that works for both parties.

This sounds simple enough, but “simple” does not mean easy. We are part of a greater business organization and our reason to exist must be connected with the goals of the business. I generalize here, of course, but it basically means that we need to help the organization to survive, develop, and maintain profitability. The basic function of legal, as a risk-management function, is to ensure

survival. A business organization that does not develop and which is not profitable will not survive for long. As such, it is not enough to make sure the commercial teams do not mess up. A good business lawyer has to add value day-by-day in order to ensure the success of the organization, thus generating a positive outcome. One, therefore, has to find a balance between risk-management and value-added work. My second tenet is that value can only be created if there is trust – a partnership where the business side sees a benefit in engaging with you.

Imagine this internal structure as a pyramid (akin to Maslow’s pyramid). The aim should be to create an environment where lawyers can add value by actively engaging in the business processes, product development, complex projects, transactions, and lead negotiations. If you want to reach higher tiers of this imaginary pyramid, an organization has to be set up supporting the aim of becoming a business enabler, while, at the same time, staying true to the risk management function and ensuring that commercial teams do not mess up. I have gathered a few building blocks that can be used in the process. The list is by no means a guaranteed recipe, as every business is different, and therefore these can be tailored and adjusted if needed:

- Build consensus on the way forward. Every team needs to have a common set of values and provide an answer as to why we go to work every day. Buy-in from your team is essential. If your team cannot agree on the why and what, you cannot deliver.
- Establish regular communication with the business. This can be invaluable to show that you care, are trying to understand their goals, and are building a channel where eventual conflicts can

be resolved quickly. This can spare unnecessary escalation that can turn any relationship sour.

- Foster a culture of dialogue and share best practices. Show practical examples, discuss, and create materials and templates that can help your team. Staff needs to be encouraged to engage directly with the business, which also means that they should not be micro-managed.
- Create ways to monitor and obtain feedback on performance. It is a good health check to see if things go in the right direction and to identify points for improvement.
- Encourage members of the team to expand their knowledge and business acumen to understand connections and overlaps and the impact decisions across business segments. Building up business knowledge is essential to create solutions. This should improve creativity and the flow of ideas.
- Find ways to build trust within the organization. Trust is essential to create a willingness among the business people to consider commercial judgment made from the legal function and a willingness of those within the legal function to move outside their comfort zone and express views on and make commercial judgments. Value creation is made possible if you have the ability to link business goals with the core legal risk management. If you have to say no, offer alternative solutions, and engage in a dialogue to find a common ground, if possible.
- Make sure that the team performs the bread and butter tasks well, on time, and provides clear business-oriented advice. Work on communication as lawyers tend to draft complicated messages, which is not productive. ■

# A BUSINESS PARTNER IN NEED: HOW THE CURRENT CLIMATE PUSHES IN-HOUSE COUNSEL TO BE MORE THAN LAWYERS

Going beyond a purely legal role has been necessary for in-house lawyers for many years – but the current COVID-19 outbreak has made this need even more pressing.

By Stanimir Vlahov, Associate Counsel Bulgaria, Mondelez International



2020: A historical year for the planet. The COVID-19 pandemic has caused unprecedented disruption for businesses everywhere.

As the COVID-19 pandemic continues to hamper the economy and up-end business, lawyers are wrestling with the big questions of how to move forward, promote business sustainability, and continue partnering with the business, while scrambling to keep up with changes in “overnight” government regulations and guidelines, even as organizations are trying to cope with everything from shutdown orders to labor shortages.

“In-house counsels have been key participants (leads or coordinators) on crisis management teams and have been directing action to reduce the impact of COVID-19 on employees and their businesses.”

As the sheer scale of COVID-19 unfolds, in-house counsels need to handle all sorts of “special situations” scenarios with flexibility, while also planning ahead for “back to normal” life. And who can do this better than an insider who picks up the business scent even through a mask? In tough times like today having an in-house counsel is an advantage for businesses, and this is the time to prove the role’s strength and importance. More than ever before, in-house counsels need to get out from behind the desk and gain a better understanding of the business – join in on sales calls, walk around the manufacturing plants, be familiar with the production lines and plants project in the manufacturing sites,

follow up on after-sales calls and know in general what makes the business tick. Risk cannot be managed without understanding the business, without living its values, sharing its goals and live with risk appetite as well.

During the State of Emergency, in-house lawyers have to consider two main issues: business continuity (*i.e.*, clients, customers, and partners) and employee issues. From a customer/partner perspective, any risks need to be assessed carefully, including ensuring company solvency through cost assessments, cost reduction, and management of commercial contracts (particularly with *force majeure* clauses), as well as issues involving the supply of information, tools, and raw materials. This is particularly true for businesses operating internationally and across borders (which are often difficult to pass, these days).

In-house counsels have been key participants (leads or coordinators) on crisis management teams and have been directing action to reduce the impact of COVID-19 on employees and their businesses. They have had to handle numerous legal issues, including those coming with the day-to-day new legislation, Government orders, business cases, and so on.

But what is new? The legal counsel’s role has always been there. In many international companies the in-house lawyer’s role has more significantly stepped in as a business partner – the one who is drawing the safe path for business to grow. Expertise, multitasking, straightforwardness, agility, openness, networking, creativity, and credibility are only a few of the skills and characteristics that the in-house counsel should have and never stop developing and are the factors that make it or break it in times



Stanimir Vlahov

of crisis. This key characterization and basically a “must have” of the legal function make the in-house counsel a “mandatory” member in every kind of business meeting, even if non-purely-legal topics are involved. The Legal Counsel is invited to the table at the earliest stage of processes. COVID-19 just made this role and its weight more visible for everyone in the organization. Social distancing did not isolate the counsel by any means; it moved the role closer to business than ever.

Once the COVID-19 outbreak passes, there will be an eagerness for business to get back to strong productivity levels, which means more pressure on and opportunities for in-house counsels to partner in all business efforts and helping to overcome obstacles. Those who have proven their value will be best suited to support their organizations – they will be stronger *critical* business partners. ■

# BUILDING AN IN-HOUSE TEAM TO BE PROUD OF

**How do you go about building an in-house legal team that you can be proud of – one that addresses all the needs of a publicly-traded company, and does so with minimal external advisory assistance? Marian Radu, Group Legal & Public Affairs Manager at Vrancart Group, explains.**

**CEEIHM:** To start, share a bit about your career and current employer.

**Marian:** Leaving aside my personal perception, I think many can relate to this career pattern: laying brick after brick with hard work and a bit of luck when needed. I started as a junior some 18 years ago, in a very large and diversified group from business and legal points of view. I was very lucky to be exposed from the start to all kinds of various challenges, even if, at times, I felt literally thrown into a lions' pit. Learning lesson after lesson – even the hard way – means growth, both professionally and personally, which, in time, made me realize that, beside impetus and instinct, there are other aspects, subtler, sometimes even esoteric, that ultimately drive us.

And so my current mindset, relating to how one controls and directs one's energy and thoughts, began to be all the more relevant in today's context. Basically, it comes down to what you send out to the Universe. And positive thinking attracts positive context. And, as I aligned myself with this newly discovered paradigm, I became aware of the multiple ladders that laid hidden and I started climbing them.

My current employer, Vrancart Group, is the largest waste paper collector in

Romania and one of the leading players in the region in terms of paper, corrugated cardboard, and tissue papers. The parent company of the group has been listed on the Bucharest Stock Exchange for 15 years now and that is an aspect that speaks for itself.

**CEEIHM:** What are the main areas that keep you busy – what takes up most of your time? What about your legal team as a whole?

**Marian:** I am very mobile. I travel a lot because operating at a country level requires it. This implies a certain degree of coordination with my team, which is entirely located at our headquarters, but I am lucky enough to have all the colleagues doing their daily routine without me micro-managing, which I generally don't do because it cuts deep into one's feeling of professional fulfillment and self-esteem, not mention literally killing your time. Instead, I supervise



Marian Radu

“What I most enjoy is that in the last two years we have managed to harmonize youth with experience, to enhance the helping spirit and, even by joking and laughing a lot, to create a working environment that is both pleasant and efficient.”

all activity – I know what everyone is doing – but I intervene only where and when necessary. And that allows me to focus more on the strategic legal and business matters of the group and on the alignment with the other members of the top management team. As I already mentioned, the parent company is listed on the Bucharest Stock Exchange, from which it derives a fair number of legal constraints and a constant interaction with the relevant authorities. And the legislation in this field is both very strict and relatively technical, with many aspects that require a heightened level of attention. The good part is that, once you master these aspects, you will see that their constant application is in fact a very good control key for the activities carried out, in terms of punctuality, transparency, and correctness of the company’s legal, statutory, and business processes. Alongside that there is the usual legal stuff that you encounter in all large groups, like keeping up with the relevant legal framework, providing support to various departments – litigation, compliance, corporate governance, data protection, labor issues, and so on and so forth.

**CEEIHM:** Since you mentioned your non-micro-management-needing team, how large is it and how is it structured?

**Marian:** We are now a team of four. It

is not a large team in terms of numbers, but it is a very dedicated one. And that feature enables us to effectively tend to the legal needs of the group while maintaining almost all the activities in-house. Due to the complexity of the sales structures of the group, one colleague deals almost exclusively with that part – pretty much everything related to contracts, clients, receivables, financial guarantees, and other aspects in this commercial area. It is somehow a hybrid assignment, most of it legal but with a consistent business component as well. The usual daily routine is covered by another colleague, who I take pride in having recruited because she started as a junior and exceeded our expectations thanks to a good mix of the right attitude and eagerness to help and learn new things. More delicate and substantial matters, including litigation, statutory issues, and issues related to the capital markets field are discussed with, and usually assigned to, the third colleague, an all-rounder veteran member of the team, who has been in the group for more than 20 years.

**CEEIHM:** What are you proudest of when it comes to your team?

**Marian:** What I most enjoy is that in the last two years we have managed to harmonize youth with experience, to enhance the helping spirit and, even by joking and laughing a lot, to create a working environment that is both pleasant and efficient. Last but not least, there is another aspect that defines our approach of office life – it might not be the most relevant but I feel it is worth mentioning: We have completely redesigned the office, according to our vision and desires. We now have a lot of flowers and small trees – everything is green and relaxing. We even have a small aquarium with brightly colored fish. And all this connection with nature helps at

some subtle levels of consciousness and gives us the inner balance that sometimes makes all the difference and helps us push for the extra mile.

**CEEIHM:** You mentioned that it is a point of personal pride that between a relatively small team, you can effectively cover most of the necessary legal work in-house. Why is that important to you/your group?

**Marian:** It goes without saying that it all comes down to trust. First of all, it is important for us to believe in ourselves – to believe that what we do, we do well. It is only if you truly believe that you can be of great help and act as a solid department and a pillar of the whole group. Obviously, it is just as relevant for our trust to be matched by positive results, for our expertise to produce concrete added-value where, and when, needed. Furthermore, it is almost equally important for the group to see in our team strength and composure, to have confidence in the fact that all activities, on all lines of business, are carried out in full accordance with the legal framework in effect and, subsequently, in any of the cases where breaches occur, and to have the representation that we will make every possible effort to rectify the situation and remedy as much direct, or collateral, damage as possible.

**CEEIHM:** How do you go about identifying the needs of the group on a proactive/strategic basis?

**Marian:** There is a lot to say here but I will summarize only three aspects, which I find most relevant. In order to know where your expertise is needed and to be proactive, you need to know as much as possible about the ongoing and future business processes and flows. And you have to keep a constant course of this information accumulation process

so you can connect the dots more and more easily. Otherwise, your contribution will be mostly reactive.

One of the optimizations I try to achieve, as a GC, is to talk as much as possible one-on-one with colleagues in the group – not only with those at the top management level – in order to keep myself updated on their activity and the issues they are encountering. Then, I try to grasp as much legal information as I can, even though it might seem highly unlikely to be put to good use on a daily or regular basis. It takes time, but you never know when you might need that piece of reference. A Japanese proverb says “sharpen your sword all your life even if you never get to use it.” Much wisdom is contained in those words and I try not only to do my job but to live by them.

On the strategic side, one key element is the ability to read, at least at the basic level, the economic game – to be able to distinguish among big trends in business, to understand competition and competitors, their triggers and hidden moves, and how they can affect your position and interests.

And, of course, you definitely have to see the legislative bullet coming. The ability to keep a close eye on the legislative process, to understand and foresee the impact that certain changes in the legal framework could have on the group – all represent a must-have for a GC. The sooner some potential legal threats are identified, the better you can counter-attack or adapt your activities to the new framework. This is vital for us at Vrancart, operating under a lot of environmental legislation, for example, because one of our main desires is not only to create economic added-value but also to achieve that goal in a green and sustainable manner.

**CEEIHM:** Once you identified those needs, how do you assess if you can address them with your internal team or if you need to expand it?

**Marian:** I already mentioned my pride in keeping almost all the legal activities in-house with the team at my disposal. I prefer things to be concentrated. I prefer that we grow in expertise and benefits more than in terms of numbers. At the end of the day, that also boosts confidence and the “yes, we can” attitude. We talk a lot in the office about ways of bettering ourselves and how to find the proper mental manner to address all kinds of situations calmly and rationally. Because we do have the legal expertise – we just need to focus more on the mental levers that can put us in a better position for superior performance. No doubt, we collaborate with external lawyers when confronted with some very technical or extremely specialized legal issues, or when we really feel the need to have a second objective opinion from an outside perspective. And there have been some situations when that approach proved very useful or even saved the day – I am not afraid to admit that.

**CEEIHM:** When hiring what do you look for in a candidate?

**Marian:** Definitely the right attitude, no matter the position – from junior to senior. It’s a must! As the saying goes, hire for attitude, train for skills. And it is not just a motto that sounds good, it’s for real. You can train skills far easier than you can train attitude. Experience so far has shown me that a colleague with the right attitude and average legal skills is more useful to the team than one with a bad attitude but with good skills. Proper emotional intelligence comes next. The right candidate has to be mentally prepared to assume

the duties of the job and to be able to perform adequately. For example, again, experience has many times shown the wonders of resilience. The ability to not give up no matter what. Sometimes it is more about that rather than legal knowledge. And speaking about legal knowledge in itself, of course, that is also important, although only third in line for me preceded by the other points. I have always tried to have no prejudices when assessing candidates. A good CV counts, but it is not decisive. You have to be open-minded. Talk to anyone in a fair manner and look for the features that you really need for that job, not for the ideal ones. If you need a junior, screen for a suitable one and nothing else. Over-qualification can be a nice asset in the short-term but it will surely bring frustration to your team in the long-run.

**CEEIHM:** What do you think are the top five must-have features for a GC to be an effective manager?

**Marian:** A good GC should inspire and be humble at the same time. That is a powerful combination, almost paradoxical, so quite rare. Master that and you will lead by example. At the same time, honesty counts much with the team as does the ability to listen and communicate properly. We are all human after all, and we often need to be heard with empathy, and to see that we really count, that our emotions mean something, that we are not just assets. Finally, the ability to give accurate feedback and feedforward, whether positive or less positive.

**CEEIHM:** Finally, the best advice you can give to newcomers to your team in no more than three words.

**Marian:** Be yourself! ■

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# LESSONS (FINALLY) LEARNED: SELECTING (AND PITCHING) LEGAL SERVICES

**Christian Blatchford, General Counsel at Energo-Pro, explains how he goes about selecting external advisors – and what he wishes private practice lawyers would do differently.**

**CEEIHM:** To give our readers some context, tell us a few words about your career leading up to your current role with Energo-Pro.

**Christian:** I started out in the City of London with the US law firm Altheimer & Gray. The firm was originally from Chicago but expanded globally in the 90s. The positive news of qualifying as a lawyer came a couple of weeks before the negative one that the firm was going bust. I quickly jumped ship to Cameron McKenna, which was a great experience and involved a fateful secondment to Prague. At the end of this, I was politely asked to return to London and, equally politely, declined and moved to Kocian Solc Balastik. I ended up spending 12 years there – which were my most formative as a lawyer. While at KSB, I began working with Energo-Pro, initially on an M&A transaction in 2015, and then on some financing and DCM matters. Eventually, it made sense to both sides for me to join the group.

**CEEIHM:** You moved into your first in-house role about a year and a half ago. What has been the most interesting part for you in making the switch from private practice?

**Christian:** Making the transition from private practice to in-house has involved the usual clichés of getting close to the business and working with non-lawyers (how they hate that term!). It's a cliché because it's true. I got to understand how our markets work and how we operate on them, which is something lawyers often say they do but don't. Working with finance and technical people is great, although in the initial few months I felt rather lost.

Overall, I have experienced a broadening of the scope of work that I do, even when it comes to purely legal matters. I now need to understand and manage matters ranging from my native transactions to regulatory, compliance, and even litigation matters.

I also see how much energy goes into actually implementing the contracts that we negotiate. It takes time, effort, and even some diplomacy to get the words off the pages of a contract and make them work in real life – including words that I drafted myself.

**CEEIHM:** Can you give us an example of this happening?

**Christian:** Take the case of a leveraged

financing. You obviously need to be able to draw down the loan – which seems a straightforward task on paper but can end up quite challenging in the real world. In fact, making sure you have all the right inputs – technical, financial, and commercial – and that you submit them properly to the banks, requires more work than you may expect at the time of drafting.

"The pricing aspect is pretty simple. The main concern is for your lawyer not to act like a taxi driver – simply "turning on the meter" and racking up fees without getting the job done."

**CEEIHM:** Energo-Pro operates hydro-power plants in the Czech Republic, Georgia, Bulgaria, and Turkey. How does that spread impact your role?

**Christian:** It's another example of the broader scope of work that I spoke about earlier – this time from a geographical and substantive legal perspective. If I were to highlight one particular

challenge that it poses, it's finding the right law firm on a market that you don't yet know.

**CEEIHM:** How do you do that? What has been your approach to identifying new potential external advisors?

**Christian:** I don't think that the views I had when I was in private practice have changed much. Then as now it's easy when operating on your home market: you know exactly who to shortlist for the job. If it's not your home turf but a relatively proximate jurisdiction, you'll know who to turn to for referrals.

When working further afield, I'm not averse to looking at legal rankings. I won't necessarily be going for a top-tier firm, but it would be difficult for me to justify the selection of an unranked or bottom-tier firm.

**CEEIHM:** What about screening/picking – what are your main considerations?

**Christian:** There are only really two with professional services providers: quality and price.

In terms of quality, I always look first at past experience in matters similar to the one being tendered. Beyond that, responsiveness is good, if only emailing straight back that they'll respond in due course. Then there are the deeper elements – whether the tendering firm has the necessary capacity, depth of offering, and commercial savviness to get the deal done – which you can only really guess at and hope you get right.

The pricing aspect is pretty simple. The main concern is for your lawyer not to act like a taxi driver – simply “turning on the meter” and racking up fees without getting the job done. That approach



Christian Blatchford

"I wish I had some sort of sophisticated weighting system in place. For me, it's more art than science. I tend to choose quality over price unless the price is untenable. If the quality is right, a firm would have to screw up on fees to not be chosen."

puts budgeting risk on the client when the client can't effectively manage it. I always ask for caps based on reasonable assumptions, of course, remaining open to revisiting fees if the assumptions turn out to be false.

I tend not to like success or break-up fees. Truth be told, a transaction's success or failure doesn't really depend on the lawyers involved. They can certainly make the experience more or less pleasant, but I don't feel the need to reward or punish them for that using fees.

Blends also don't work well for me, other than on due diligence work. They can so often be abused, with the partner rate pulling the blend up considerably while juniors put time on the clock at an inflated rate.

**CEEIHM:** And how do you balance between the two? How do you weigh each of the two main considerations?

**Christian:** I wish I had some sort of sophisticated weighting system in place. For me, it's more art than science. I tend to choose quality over price unless the price is untenable. If the quality is right, a firm would have to screw up on fees to not be chosen.

One thing that I did very little as a private practice lawyer, and that I would do more of now, is talk to the potential client about its price expectations. Obviously, no one wants to distort a tender, but I now see that lawyers often do this. It's as simple as phoning up before and after proposals are submitted and asking how they look on fees. In the past I was too much of boy scout to do this but, within reasonable bounds, it's a healthy approach.

**CEEIHM:** From all the pitches/proposals you've looked at, what would you identify as the first thing you'd look at? Similarly, what is the last thing you care to look at?

**Christian:** I whizz through it all quite quickly. I don't read the full-length CVs, which many lawyers still insist on sending. It's annoying when they do it with separate pdfs and expect me to trawl through 20 email attachments. The first thing I look at is the recent deals. And then, within about five minutes, I'll hit the pricing proposal. Those full-length CVs, really, please stop sending me those.

**CEEIHM:** Did you use to send them?

**Christian:** Maybe. I wish someone had told me not to.

**CEEIHM:** As a general approach, do you prefer working with a firm under a one-stop-shop approach, or do you prefer cherry-picking for each specific project/area? Why?

**Christian:** It depends on what you're talking about. If you are talking about handling several jurisdictions on a deal, I don't really care because I choose not to take coordination risk myself. I'll either work with a firm that happens to be in

all the relevant jurisdictions or one that coordinates or fronts for, the work in each of them.

If you are talking about covering different practices within a single jurisdiction, I think I'm more inclined towards the one-stop USP. If I trust a particular partner or practice area within one firm, I'm quite happy to try another partner or practice area in the same firm rather than jumping to a new one. Even if I don't know the new partner or team directly, I know that the existing contact will keep an eye out internally to ensure that the relationship is maintained. Relationships matter, and often lead to the right blend of quality and price over time.

**CEEIHM:** Having been on this side for over a year now, what, if anything, would you do differently if you returned to the private practice world?

**Christian:** I tried to be an all-rounder as a law firm partner. I tried to do both the legal work and BD to an equal standard. I now see that I ended up like one of these 2-in-1 shampoo and conditioners – not amazing at either, taken separately. If I had my time again, I'd step back more from the nuts and bolts of the legal work. I'd also get out more to events and have more lunches. I'm always getting invited out now, and should have done more of it myself. The key thing is creating a pyramid where junior colleagues have more responsibility for the day to day work, especially legal drafting. That's good for the development of the team and also for the senior person, who can focus more on the big picture. Having said that, I hope that former clients, colleagues, and counterparties didn't consider me totally useless for nearly 20 years in private practice! ■

# LAW WITH A PINCH OF TAX

**Crenguta Catanea, Head of Legal at Romprest, draws from her in-house and consultancy experience to emphasize how important it is for GCs to train themselves to be taxation/fiscal-literate – and how they should develop that capability.**



Crenguta Cateea

**CEEIHM:** Tell us a bit about how you became a legal consultant.

**Crenguta:** I'd have to say it is a surprise to me as well that I ended up practicing law. Had anyone told me I was going to work in this field when I was in high school I would never have believed them. In fact, at the time, I was enrolled

in a bilingual (my native Romanian and English) mathematics and computer science program.

When I graduated from high school, I enrolled in a university program focused on international studies and diplomacy (working in diplomacy and traveling the world was really my childhood dream).

One year into my degree, I came to the conclusion that I was studying a lot of foreign countries' legislation but I had no clue about the Romanian regulations. As a result, once I commenced my second year of university studies, I also enrolled in law school – more out of curiosity than anything else, really.

After several years of parallel studies, I realized I enjoyed law more than any other field of activity I had tried (such as informatics, sales, and teaching). While my dream of becoming a diplomat persisted, I undertook an MA degree in the field, but I tend to be a rather grounded and realistic person – especially with regards to myself – and that was when I realized that it was quite overwhelming to try to overcome all the bureaucracy in order to snatch up a spot in the diplomatic corps and that this would be an unattainable goal. Still, I didn't turn to the law simply as a fall-back. I always remember this one joke: *"Any law has a loophole," explains a famous law professor to his students. 'The smart ones find it, the wealthy ones buy it.' 'And what happens to those who don't have money and can't find it by themselves?' a student asks. 'That's who the laws are made for,' replies the professor."*

I feel this joke highlights the beauty of practicing law and this was the main pull factor for me. It's a very challenging job, but also extremely satisfying.

**CEEIHM:** You have mentioned develop-

ing an affinity for the world of taxation. How did that come about?

**Crenguta:** I practically grew up with it. My dad is a tax inspector and he did this job for practically his entire life. When I was asked as a child what I wanted to be when I grew up I told everyone that I want to be like my father, to carry around my papers in my big briefcase. Growing up I realized I needed to draft the papers to be able to carry them around but I can say that we are lucky, now, to have new technology that makes the job much easier. I think I knew what VAT was when I was three years old. Also, I think it helped me a lot that I studied mathematics. This helps a lot, because I have my mind structured more around numbers than a normal lawyer does.

"I think [Romania] comes somewhere in the top five in regard to the number of applicable taxes."

Later down the line in my career, I got to work as a consultant and later became the head of legal at a consultancy firm that focused heavily on tax and legal. That's where I really realized how much I like this domain. It gave me a platform that exposed me to many different case studies through different clients. While I was involved in other matters as well, from Corporate/M&A to Restructuring, Tax Law was the one I found I enjoyed the most.

**CEEIHM:** And how has this affinity towards the fiscal world helped you in your current role?

**Crenguta:** There is a far more general aspect. Last time I checked, Roma-

nia had one of the most complex tax systems in the world. I think it comes somewhere in the top five in regard to the number of applicable taxes. The sheer complexity of all of these is reason enough, and, in Romania, I think it is mandatory for companies of a certain size to have a counsel specialized in tax law or fiscal consultancy. In theory, that's a tax consultant working in-house but, unfortunately, the tendency is to simply have the accountants cover this fiscal side as well. If you ask me, that's potentially very damaging and risky for Romanian business owners. Accountants are specialized in number crunching and getting that balance sheet in order. Fiscal structuring and responsibilities towards the tax authority are equally critical but are often neglected by accountants, especially since they tend to lack mastery of the fiscal legislation and, more importantly, a knowledge of the fiscal procedures.

The practice in Romania is that you pay your taxes based on what you report to the authority. The problems arise when you have a fiscal audit or a tax inspection down the line, and it happens often that a tax inspector will have a different interpretation of the nature of your revenues and expenses while invoking the substance over form principle – a different interpretation as to what is deductible and what isn't for example. And those interpretations can vary greatly even between the members of the tax authority. In one example, after a tax audit the authority imposed a fine of around EUR 70 million and when the tax authority's decision was challenged and the tax & legal consultants explained to the tax authority the specific facts and the nature of their business, the fine was lowered to a couple of hundred euros. Thus, it's mostly about timing, and that is why I recommend

that major Romanian major taxpayers have an in-house consultant so they can efficiently communicate with the tax authority on a regular basis.

**CEEIHM:** Why is relying on an external consultant insufficient?

**Crenguta:** I'd say it's the same logic as with your legal counsel – a member of the team who is there all the time, gets personally involved, and knows all the company's matters from A to Z. External advisors only get involved in those matters that you pass on to them, analyzing only the situation that the client exposes – and most clients tend to be subjective. Most external consultants don't spend much time thoroughly investigating the activity of the client, nor have access at all times to all the objective facts necessary to understand the whole context. Giving such matters to an external consultant means they only get to analyze what you put at their disposal, which means that, at times, they'll fail to make relevant connections between certain fact situations. The analysis should be objective in order to provide the best/relevant solutions.

At the same time, when we talk about fiscal matters, we need to remember that legislation in this field also contains incentives for taxpayers. A consultant will not be able to know all the specifics of the company's activity and, as a result, will tend to try and generalize solutions – putting them into pre-existing boxes they tend to use – while an internal consultant can find a couple of fiscal incentives applicable that can save the company big amounts of money.

**CEEIHM:** Do you believe that GCs, in general, should pay more attention to this field, or is it simply a field that has played well for you only?

**Crenguta:** I think it'd be best if all my peers were to develop an affinity towards this fiscal world and learn to relate to it. From my experience, I've seen less than a handful of legal consultants or lawyers who are able to develop and exploit these fiscal areas truly effectively. My whole background, from high school to family setting, has helped me to understand numbers, accounting, and fiscal aspects, and to apply them in a legal context as a tax & legal consultant and also as an insolvency practitioner.

**CEEIHM:** What's the second-best-case scenario?

**Crenguta:** I am working with a colleague who is a fiscal consultant. There are still plenty of areas of accounting that I cannot fully understand – why they work the way they do or why they go in a specific box. She spends time with me and tries to run me through it, which I then translate into a “legal” language to plead before the courts of justice and/or authorities. As such, my advice would be to hire a fiscal consultant within your team as a second-best case scenario.

**CEEIHM:** How would you advise your peers to get “inducted” into the world of taxation? What has proven to be the most useful resource for you to learn about this world?

**Crenguta:** Experience. You need to have an affinity first and foremost of course – if you don't want or don't have the patience to analyze a P&L report or a balance sheet, for example – and most lawyers don't really care about those – there is little you can hope to improve on. If there are penalties to be calculated, lawyers tend to pass it on to the accountants. They simply don't care about the numbers, they care only about

the words that they are mastering before courts. But if you don't show or are not able to show relevant proof from a fiscal standpoint to the judge, you will not stand a chance in court, mostly due to the legitimacy of the administrative act principle, even though the burden of the proof belongs to the tax authority. Start slowly, try to read the legislation and try to digest it, including with a great deal of patience, mostly because the fiscal laws are constantly changing and you need to review them continuously, because if you stop for a while, you can easily find yourself losing track. If you don't follow it day by day you just cannot keep up.

**CEEIHM:** Indeed, taxation is notorious for being an ever-changing field. How do you stay apprised of the constantly changing environment?

**Crenguta:** You simply need to follow it on a regular basis. Get access to dedicated portals and follow the website of the tax authority. But I don't think it will suffice to only follow and read it. You have to put it in practice. This is why I said “experience” earlier. It is one thing to read it as a novel and another to have to apply the matters you read about. Now, most are lucky not to have to challenge a tax decision on behalf of their company very often. Putting yourself in a position to gain experience as a consultant is critical here. Remember, as an in-house consultant, the tax authority can only control you so much – once every five years for example. You shouldn't wait for those kinds of incidents to start learning about the fiscal world. Indeed, fiscality has several facets to it and the very first one is that of compliance. That is where you can, and should, start gaining that invaluable experience. Roll up your sleeves – sit next to your fiscally-experienced consultant and fill in those tax

returns every month. Have the relevant legislation next to you and try to apply it directly while doing so. Ultimately, you'll find yourself in a better place in terms of fiscal compliance from that simple exercise.

**CEEIHM:** Aside from taxation, what would be one area of business that you believe many GCs often overlook in terms of their professional development?

**Crenguta:** Restructuring. When I say restructuring, I am not referring to insolvency procedures. I am referring to restructuring from a fiscal and commercial standpoint – where we reorganize the activity of the company and structure it so that it is profitable/more organized, or more so, as a business. It can mean business transfers, incorporation of new entities, setting up the correct taxation structures for each entity/business line, and so on. It is difficult to do this with a Romanian company. Most Romanians as business owners think that their property and the company's property is the same thing. I think this is the main reason for a lot of problems that Romanian business owners have with authorities – tax authorities, the AML Office, even the police. This is a big problem in our business culture and one of the reasons I couldn't implement many restructuring plans for Romanian companies.

But I have also worked for clients worldwide or for the rare open-minded Romanian businessperson who found it to be a very profitable endeavor. I wish it would be more common. Once you go through a real restructuring process like the ones I am describing, shareholders see the result and they can see how much they can profit from organizing their businesses effectively from a fiscal and corporate perspective. ■

# BEWARE OF TRADE SANCTIONS' TORTUOUS TWISTS

**Proper vetting of business partners from a trade sanctions perspective is critical for companies selling to or procuring goods or services from Turkey, Russia, and China. What's the best way to ensure trade sanctions compliance.**

**By Catalin Olarescu, Group Head of Sanctions at LafargeHolcim**

Navigating through international trade sanctions nowadays is like riding a raft on a wild mountain river. You should keep your eyes wide open and your ears alert, or else risk crashing on rocks hidden underneath the whirling waters.

U.S. trade sanctions have increased significantly since Donald Trump came to power, representing his administration's foreign-policy weapon of choice against adversaries. Across the Atlantic, the Europe Union pursues its own sanctions policy, albeit less aggressively than the U.S., using coercive economic tools as dissuasive measures to protect geo-political stability. The EU sanctions programs against Russia and Turkey are good examples in this regard.

You may well ask: What do EU or US sanctions have to do with companies located in Western or Central Eastern Europe? Well, you might want to give that some careful thought. If your company is part of a multinational group with affiliates spread across Europe, selling to, or procuring goods or services from Turkey, Russia or even China, you might put the company at risk if business partners are not properly vetted from a trade sanctions perspective.

Your company might enter into a business transaction with a Specially Designated National (SDN) under the US sanctions rules, or with a sanctioned party under the EU sanctions regime. Such a mishap will not only affect the company but it might create a ripple effect on its entire group of companies. The consequences of breaching international trade sanctions could be far reaching. Your company may be at risk of becoming a U.S. SDN or a sanctioned party by the EU, or your financing contracts with local or international banks might be put at risk of default or immediate termination. This may generate a spill-over effect with cross defaults across the whole spectrum of financing arrangements with banks. Not to mention the effect on your company's reputation, and the negative media attention which could affect the share price if the company is listed on a stock exchange.

Covering all sanctions rules is not an easy feat, as they vary depending on the foreign policy objectives of the country imposing sanctions on other countries. Sanctions programs may target governments and their instrumentalities, as well as whole economic sectors and industries of a country (Iran and Russia are

good examples in this respect), and persons (both individuals and entities). The purpose of this article is not to cover all of these aspects. Instead, here are some clues and food for thought on how to approach sanctions' thorny topics.

An effective trade sanctions compliance program should be proportionate to your business and address the level of risk. A three-lines-of-defense approach is a useful framework with which to start:

## 1. First Line Controls

Communicate clearly that your company complies with all laws and regulations. Include in your Code of Business Conduct or your Compliance Policy a commitment to comply with trade sanctions and export controls. You may also want to provide a bird's eye view on the risks and pitfalls associated with sanctions, and specify requirements related to the prevention of sanctions violations.

Liaise with other functions in the company (e.g., finance, procurement, and internal controls) to develop a mandatory set of business controls designed to prevent sanctions violations, such as:

- a periodical risk assessment conducted



Catalin Olarescu

at the country level which includes a specific review of sanctions risks and related controls,

- sanctions review of customer data before entry into the master data,
- sanctions review of supplier data before entry into supplier master data,
- sanctions screening of all counterparties linked to those geographies with identified risk of trade sanctions.

## 2. Second Line Controls

- Compliance training and communications concerning sanctions, including training on how to use sanctions screening tools (*e.g.*, Dow Jones, World Check);
- Advice and direction on specific transactions provided by a legal & compliance subject matter expert on sanctions, including mandatory approvals of envisaged transactions, as the case may be, and
- Monitoring the delivery of sanctions training and communications, counterparty sanctions screening, and closing out of risk mitigations.

## 3. Third Line Controls

- Sanctions screening results and the check on implementation of training, communications, and controls should fall within the scope of internal audits.
- Sanctions controls effectiveness, on the other hand, should be within the scope for external audits.
- Breaches of sanctions controls as well as other breaches of the company's Code of Business Conduct should be reported through the company's whistle blower system.
- The local management team should conduct oversight of all compliance-related risks through an internal control function, which should include the provision of assurance concerning sanctions prevention, detection, and response controls.

Make sure to assess where the risks might come from. If your company is dealing with counterparties from Russia or Turkey you may want to be sure these are not sanctioned parties, and so you should always screen them. Pay special attention to export of products and services to these two countries. The EU and U.S. sanctions target individuals, entities, and specific economic sectors and industries – in particular oil & gas special exploration and production projects. Dealing with sanctioned parties in these sectors will expose your company to potentially heavy fines.

Keep in mind, Turkey and Russia are not the only countries on the sanctions radars. You can look up the lists of countries targeted by sanctions and sanctions programs currently implemented by the EU and U.S.: at [www.sanctionsmap.eu](http://www.sanctionsmap.eu) and [www.treasury.gov](http://www.treasury.gov).

A simple and effective checklist to

ensure that your company will stay out of trouble should include the following steps:

1. **Information gathering.** Ask the business to provide:
  - a description of the transaction (including a description of products and/or services, the quantity, and delivery terms);
  - identify the countries that will be involved in the transaction (from end to end);
  - the names of third parties involved (including customers, suppliers, traders, banks, custom brokers, end users, project beneficiaries, *etc.*), their contact details and the names of their key representatives, legal representatives, and shareholders;
  - payment details and currency to be used;
  - logistical information (what route will be used).

2. **Sanctions risk assessment.** Screen all parties involved in the transaction including their key persons, legal representatives, and shareholders using a sanctions screening tool.

3. **Keeping a paper train.** If the legality of the transaction is confirmed by legal & compliance, submit the transaction for approval to your management. Document the entire process and keep a paper trail to provide evidence in case of an audit.

The above considerations are more suitable to big companies, especially if they are part of multinational groups. If your company is a local or regional player, you can simplify and adapt the sanctions compliance program to your particular situation. ■

# OVERSEEING A SUCCESSFUL SHOPPING SPREE

The MET Group is on a shopping spree, targeting EUR 1 billion in M&A deals over the next few years. **Dora Szebeni, Group Head of Legal M&A**, explains what it means to oversee a series of high-value transactions.

**CEEIHM:** Tell us a bit about the “M&A” part of your job title – Group Head of Legal M&A – and how that aligns with MET Group’s business model/strategy?

**Dora:** I and my team are directly involved in the acquisition or consolidation of assets and companies for the group. That means that our team handles all type of M&A activities from mergers to acquisitions, to tender offers, to the purchase of assets/companies.

In terms of MET’s business model, we have plans to expand very rapidly in Europe in the next two to three years, primarily through acquisitions. Our aim is to have around EUR 1 billion in total concluded deal value during that period. We already have a strong asset leg throughout Europe and are looking to continue buying assets and companies with the aim to complete between two and five major deals in each field of the European electricity market, excluding gas exploration and transmission systems, in the near- and mid-future.

**CEEIHM:** What’s the driving force behind this strategy?

**Dora:** As I mentioned, M&A has been in the past few years (and remains) really strong within the group, and very much in focus. Furthermore, in December 2019 Keppel Infrastructure – a unit of the Singapore-listed Keppel Corpora-

tion – bought a 20% stake in MET, increasing MET’s international footprint. Keppel Corporation and MET Group established a strategic platform to jointly explore investment opportunities focusing on European energy infrastructure assets.

**CEEIHM:** And how does your role fit within this strategy? Are you involved directly in identifying potential targets?

**Dora:** In short, since one of the major focuses of the MET Group as an integrated energy company is to expand in Europe over the next few years, my role is to actually support this effort. We have people focused on business development and deal generation and it is their main focus to identify targets. I primarily plug in to support from the legal side, providing legal advice to the business team, ensuring those deals happen in a way which will enable the group to execute its strategic objectives successfully.

That said, we work with a lot of law firms throughout the various jurisdictions. They do naturally keep us apprised of opportunities, which I am channeling through to our BD and M&A teams. They then make the choice in terms of which deal we go after.

**CEEIHM:** How does handling an M&A deal as an in-house counsel differs from



Dora Szebeni

when you used to advise on them as an external counsel?

**Dora:** I spent ten years at White & Case where we had high profile deals to work on, but I was on the external side. The main difference is that, as an in-house lawyer working on an M&A deal, you are much, much more involved in the business side of the deal. You need to really understand the business goals and

"We work with a lot of law firms throughout the various jurisdictions. They do naturally keep us apprised of opportunities, which I am channeling through to our BD and M&A teams."

need to spend time to align your external advisors with the business drivers. As an external advisor you tend to be much more focused on the risk and regulatory side of things. We really need to be somewhere between the external lawyers and the business.

**CEEIHM:** Can you give us an example of what you mean by a business consideration you would not tend to be involved in when acting as an external counsel?

**Dora:** I would say the main thing that an external lawyer is not being as directly involved in management discussions, particularly with the Board, with the MET Group's CEO and CFO. As an external lawyer, you are likely to insist that the language of an SPA/SHA is absolutely market standard and balanced. From an in-house perspective, as you are involved in the business considerations and discussions and you are much more involved in the bigger picture of a deal too, you know which areas of a negotiation you can take a more flexible approach to the wording in, in order to gain the main focus points. In those cases, I am more comfortable with agreeing to wording that puts greater reasonability on us an acquirer than going back and forth on it with our counter-party – there are bigger things to focus on and I have to act as the filter to focus these legal negotiations through the lens of the business drivers. As an external lawyer, you are not sitting in meetings

with management or the core deal team, having to weigh up these issues in the context of a whole range of other risks factors and commercial drivers. Rather, you have one or two contacts with your client's side, and even where you might have strong relationships with board members or executives, you are still one step removed from the regular inner core discussions. And it makes sense – filtering discussions and focusing the deal strategy this way saves a lot of time and money.

**CEEIHM:** At what stage of a deal are you usually brought in as a legal counsel?

**Dora:** Our M&A team on the business side decides to pursue or not a target. They do their first evaluation of a deal, which usually starts with submitting a non-binding offer. This is the level where we are first involved most times, even though our input at this stage might be quite limited, such as checking whether there are any obligations or strategic points the business team might be inadvertently committing to or conceding.

Once this non-binding offer is accepted by the other party, we start the due diligence and the rest of the pre-transaction documents steps.

That said, I work very closely with our group M&A Director who manages the deals from the business side. We have weekly calls where we discuss what kind of deals are on the horizon, where we submitted offers, and so on. It is rare that I would first hear of a deal coming out of left field. By the time it actually lands on my table I am usually already aware of the headline points.

**CEEIHM:** What steps do you usually take to bring yourself up to speed with the specifics of the deal?

**Dora:** The first document I'd look at is the teaser from our business guys. It's usually less of a legal document and more of a business one focused on the main information about what we are about to buy. We then kick-off the process with calls with the different teams: the business team spearheading the deal, the relevant energy sector experts, and the finance team members involved in putting together the offer.

**CEEIHM:** What do you tend to cover in-house and what do you externalize when it comes to due diligence? Why?

**Dora:** We usually don't do the legal due diligence exercise in-house. Looking at the deals that we are covering here at MET Group, these are usually sizeable deals, too big to do the due diligence process in-house. Furthermore, in the majority of the cases, the target is not here in Hungary, so we turn to experts who are on the ground and have a thorough understanding of the respective legal environment and regulations. We tend to work with big international law firms who have the expertise and capabilities to carry out the process. Our role in the due diligence process, as the in-house legal function, is to coordinate and guide them and report to our board.

**CEEIHM:** Since we touched on the topic and given the business strategy, do you still tend to outsource M&A work to external advisors? Why and when?

**Dora:** We keep parts of it in-house, while partially outsourcing. When it comes to the drafting and negotiation of the transaction documents, depending on the deal size and depending on how many deals we have in parallel, the MET Group may outsource it to the same law firm that was carrying out the due diligence, but a lot of the time we draft these ourselves or at least are quite

heavily involved. When we cover deals in jurisdictions outside of Hungary, even if we draft the main agreements, we still need a pair of eyes to look at it and confirm that it all works in that specific jurisdiction. That said, even when we do not draft the transaction documents in-house, we always are heavily involved in the negotiations and even the drafting phase.

**CEEIHM:** And, when the need to externalize legal work arises, what are the considerations based on which you pick your advisors?

**Dora:** I find this to be an interesting and at times challenging aspects of our role as in-house lawyer. It is easy to pick the advisors in jurisdictions where we know the legal market well. Depending on the main focus of the deal I have a good sense of firm X or Y to pick in Hungary, for instance. It's the same, for example, in Spain and Italy because we have done a lot of deals there. What is trickier is going to a country where we have not yet done a transaction. Even in those countries we have our own sources for recommendations, but what I usually do is give a call to these trusted law firms in Hungary or Spain or Italy for recommendations.

Based on that we usually send three to four requests for proposals, then we look at their past experiences. I like to then have a call with the ones that we like expertise- and price-wise. I would say after 15 minutes I already have a good sense of who I will be working with.

**CEEIHM:** So what do you usually probe for in those calls?

**Dora:** I look out for their expertise as it relates to our specific deals. It is important to get comfortable that they offer

outstanding M&A and energy expertise. Furthermore, I always make sure to ask *who* from their team they would assign to the given transaction. I am absolutely fine if juniors do the due diligence work – as our Group CEO Benjamin Lakatos says, young talents are our greatest business assets. However, when it comes to the heavier part of the transaction, we want to make sure that we have sufficient partner involvement from the chosen firm. It is unfortunately not uncommon for certain firms to put big partner names in their RFPs but then have much more junior members of the team actually handle the deal itself. It is interesting to see how they react to that question and see how natural it is for them that the question is asked in the first place.

I also believe that chemistry matters, so I try to keep an eye on that as well. Ultimately, we'll be having regular calls and meetings with these people over the next two or three months (or even longer), so it's important to make sure we will be able to work well together.

**CEEIHM:** From your experience, what would be the top three “must-tick” check-boxes for any GC working for a company that is looking to undertake an M&A deal?

**Dora:** The first I already touched upon – being able to look at the legal issues in a very business-minded way. Second, knowing the legal market in as many countries as possible. That's important because it both helps you build your network of advisors to turn to when a deal is in the works and also, as I mentioned, because if you nurture the right relationships, they can also feed you with business opportunities. Finally, the ability to communicate with business teams by providing filtered legal reasonings in a clear and concise manner. You may not

always be able to provide a simple “Yes” or “No” answer to the management/business team, but you really should aim to get as close to that as possible.

**CEEIHM:** If you had a re-do on any deal you've worked on in the past, what would you do differently?

**Dora:** Without going into specifics, there are some instances where you can tell relatively early in the process that a deal may not go through because of the issues involved or even sometimes due to a simple potential lack of chemistry between the parties. There were a few of such instances where it would have been better for me to have trusted my instincts and been pushier towards my business colleagues to stop pursuing the process sooner. It's a tricky one to identify when that moment is definitely there, but I should have interfered harder internally when I felt strongly about it.

**CEEIHM:** In contrast, what is the one deal you've worked on with the MET Group that you are particularly proud of?

**Dora:** Within these past four years I was involved in a lot of interesting and exciting deals, so it is hard to pick. If I had to pick one, I would probably highlight the acquisition of Tigaz from ENI S.p.A. (which closed in 2019). That was an incredibly exciting and dynamic deal and one where I really felt that everyone – the lawyers, the business, financial, and sector experts, and the external advisors in all fields – all worked together well. Even the chemistry with the counterparty and its own counsels was just right. It was at times very challenging and demanding, but ultimately the deal went smoothly and all involved seemed to be truly deal-driven and focused on finalizing it. ■

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# THE GC IN A PROFESSIONAL SERVICES SETTING

**Marianna Erdei, Country Legal Director at EY Hungary, shares the unique challenges of managing the legal matters of a professional services company – with a legal services arm.**

**CEEIHM:** For our readers to get a bit of background, can you clarify for us your role with EY and how, if at all, you interact with the EY Law side of things?

**Marianna:** EY, as a large international company network, has a centralized legal function to ensure the enforcement of firm-wide compliance and other internal rules and principles of a legal nature. The General Counsel's Office is headed by a local law leader in most EY countries. Each local GCO is integrated into a regional and a global organization, which is a platform of a valuable knowledge share inside the company. The GCO is the guardian of the lawful and compliant operation of all EY service lines, including Assurance, Advisory, Transaction Advisory, Tax, and EY Law.

There is an interesting interaction for the GCO with the Vamosi-Nagy Ernst & Young Law Office in Hungary, as the “clients” of the GC are lawyers themselves. However, there is a clear line to their responsibilities: the GC is consulted on and oversees legal matters affecting the firm and its contractual obligations, whereas providing legal advice to external clients is the sole responsibility of the law firm's attorneys.

**CEEIHM:** What would you say are the main differences between acting as a GC for a professional services company and other in-house roles?

**Marianna:** Certain areas of law the GC practices in, such as employment law, contract law, and so on, are the same as in any other company, although, due to the strictly regulated background of certain services (such as assurance services), there is a big emphasis on related legislation and certain compliance rules. To ensure a compliant operation, there are other internal functions as well, such as the Independence and the Quality and the Risk Management functions, which work closely with the legal function. I believe these functions and their interactions with the GCO is particular to professional services companies.

When I first joined EY, it was also interesting to see how certain in-house legal issues are similar to those on which EY provides services itself to its clients, such as the GDPR. Accordingly, the EY GC has a large knowledge database available internally and has the chance to work around a legal problem with its subject-matter-expert colleagues. At this stage, it is mutually beneficial to learn from each other's experiences. This, *inter alia*, makes it special to work in a BIG4 environment.

**CEEIHM:** What does a regular day in the office look like for you – what types of legal matters tend to take up most of your time?

**Marianna:** Every day is different – it's

challenging. As the advisory market is a fast-changing environment, we have to keep up with the new business demands and work on new legal solutions and contract structures to meet market expectations.

The GCO's main goal is to support the service lines and their business, while protecting the company's long term interests by observing internal compliance rules and policies. Tasks usually include contract reviews, meetings or conference calls internally or with clients, regional subject matter calls, and professional interactions with other GCOs and the regional or global legal function, policy writing, and enforcement ... and that list is far from exhaustive.

**CEEIHM:** Let's take a second to talk about compliance matters. How do they differ in your case? Are there any tensions between that function and your own compliance hat? How do you juggle them if needed?

**Marianna:** Compliance matters are a hot topic these days. It is a very complicated system of how a company shall conduct itself and what principles it wishes to follow. Internal policies (on either a global, regional, or local level) intend to steer the daily operation and professional service provision in a unified way to ensure a similarly high quality of services in every EY office. GCs have a big

role in creating such policies, but they also work closely together with the Risk, or Independence, or Quality functions, and it varies which function drives the process. Compliance tasks are currently divided among the above-mentioned functions, but it is more and more desirable to have a separate compliance function – which is also justified by the potential conflict of interest between compliance and other support function responsibilities and the heavy workload.

**CEEIHM:** Can you give us an example or two of such potential conflicts of interest?

**Marianna:** Here's a simple example – or at least, as simple as it gets:

If I were to receive a query that relates to a limitation of liability clause, in theory, that would be a straight-up legal question (maybe, arguably, with a business-side consideration factored in as to whether or not making concessions on that contract makes sense or not). But, because we, as a company, have our own approach to it, giving an answer on the matter also becomes a compliance issue. Between the two, if I, as a Head of Legal, give some input, I'd then need to ensure that the input is in line with our own internal policies – *i.e.*, a compliance

*“To ensure a compliant operation, there are other internal functions as well, such as the Independence and the Quality and the Risk Management functions, which work closely with the legal function. I believe these functions and their interactions with the GCO is particular to professional services companies.”*



Marianna Erdei

matter. It is, naturally, problematic from a process perspective to have the same person wearing both hats, assessing the level of compliance, and giving the advice. The internally accepted solution is to push this up to a regional reporting line under the form of a compliance question and have them give a green light or raise issues from a compliance angle. Aside from it being cumbersome, this approach also creates a level of fractioning at the level of compliance tasks. Furthermore, such a situation can create a strain on my own work where I have to decide at what point I need to push something up to that second layer of a compliance review when it comes to my own work/advice.

**CEEIHM:** Would you then say it is this fractioning that gives you most headaches in your role?

**Marianna:** Yes. In the special environment of a BIG4, I find the division of scope among supporting functions most challenging, as every issue has a legal

and risk and quality, *etc.*, angle to it and it is hard to define which function should drive the resolution process. Overlap in scope is an everyday challenge. Personal meetings among functions to clarify the nature of the given compliance matter and to identify the different principles of each function are very helpful, but time-consuming. Asking the right questions to understand the matter is key to the right solution and the experience in this respect which I have collected over the years is essential.

**CEEIHM:** If you could wave a magic wand and change one legislative/regulatory element affecting your job, what would it be and why?

**Marianna:** At the moment, I find the local Anti-Money Laundering rules less coherent and integrated than could be desired. Clear legislative requirements would be essential to be able to ensure full compliance. However, in this respect, I see many uncertainties in the market. ■

# KEEPING THE PLATES SPINNING: MANAGING INTENSE WORKFLOW DURING COVID-19

The COVID-19 outbreak has created unexpected obstacles for all GCs. How should those hurdles be overcome?

By Mark Erdelyi, Legal Director, Telenor Hungary



While the outbreak has cost many people their jobs or unable to do their work, in-house lawyers faced a different experience, as their workloads increased significantly and a number of new challenges emerged.

## The Early Days

The first thing that came up around the end of February when COVID-19 started spreading across the world – but before it really hit in Hungary – were discussions about setting up adequate measures for employees' safety. Our 12-person legal team had to assess from an employer's perspective the tools and measures we could use to protect our colleagues.

Working together with the security team, the HR team started to set up a reporting system for foreign travels, but we had a large number of difficult internal discussions about the legality of asking our employees about their private travels or whether someone they lived with had traveled abroad. The end conclusion was that it was ok to ask such things, although I, personally, was not fully convinced about it at that time.

As things progressed, home-office quickly became the go-to solution. Employees returning from travels abroad to risky areas had already been asked to work initially from home, but home-office started to spread even more than before as it became a health and safety consideration.

An emergency team was set up at Telenor Hungary and things started rolling in terms of procurement of masks, sanitary products, etc.

And then, suddenly, on March 16, we closed our headquarters, and everybody moved to home-office.

## Going Digital

Work went digital, meetings were held over the Internet, and the number of e-mails skyrocketed. Then we all suddenly realized that we could sign documents electronically and make contracts via e-mail, although of course all these conclusions required legal analysis before we were able to switch from the previous processes to digital solutions to ensure proper execution.

In this we had many funny outcomes. One instance was when we agreed on e-signing with a law firm (which we believed had had some previous experience with e-signatures). We e-signed the contract, and then the partner proceeded to print our e-contract and signed it physically before sending back the scanned version.

## The Flood of Work

Our legal team constantly was bom-

barded with questions: Is it legal to ask employees to wear masks? What about asking our customers to put on masks when they enter our shops? For employees, the answer was quite easy – “Yes!” – but the answer for the shops proved to be more difficult, although eventually Telenor became among the first to ask its customers to cover their faces. Most people welcomed it, but we received complaints as well.

A lot of things were then “solved” when the state of emergency was introduced in Hungary, and by the daily new law dumps that came with it. For instance, by the time we started to wrap our heads around the requirements related to the length of time we’d allow our employees to work in a home-office setting, the law changed and allowed it for extended periods. The same thing happened in terms of the masks issues I mentioned earlier.

When the state of emergency came into effect, we had to dedicate one lawyer to read all the new laws as soon as possible, even needing them to burn the midnight oil, because the changes were pouring in at such a fast pace. Our main webpage became the official gazette’s site and we had many morning discussions about how to interpret the new laws which had come in overnight. For instance, I can highlight the laws which closed all shops and contained an explicit list of shops which could stay open. At first sight, it was not obvious that telco shops were among those which could remain open, but our interpretation followed the intent of the lawmaker and we managed to keep the stores open – which was really well-received by the public, especially at a time when they needed Internet, extra phones, or a gadget to keep in touch with their loved ones or do their work remotely.

Of course, many people did not dare

to visit our shops. Thus, we had to start a project to move our retail functions online, which included electronic forms being created in order to handle simple requests from customers. For example, suspending telephone service was made possible by simply filling out a form, taking a picture of it, and uploading it.

It also happened, often, that customers would refer to COVID-19 as a force majeure case that would justify them not fulfilling an obligation – usually payment. This was another lengthy internal-debate-generator and we decided that the virus was not a force majeure in itself, but that it, considered together with relevant individual characteristics, could be considered as such. The virus situation had different effects on different entities. Of course for a restaurant, it was an unforeseen and unavoidable event and a highly damaging one to their business. But that was not the case for everyone – there were companies that benefited from it and/or used our services even more. We aimed to handle our business customers in a fair way and worked towards reaching mutually beneficial agreements. These agreements were also created by the legal team.

One of my favorite legal challenges was to interpret the new rules on strategic investments. The best way to describe just how complicated these rules were -- and how complicated they remained with the new act – is to quote one e-mail from an external lawyer that I saved in my mailbox. When I asked confirmation for a certain interpretation, his answer was simply: “Well that is possible, however, due to lack of practice, something else could be the case too.”

On the subject of external lawyers, I was bombarded, especially in those early days, with many external law firms’ newsletters about the “Hot Topics of the COVID-19 Situation.” I was

surprised that some of these were quite superficial and seemed to be more interested in the marketing effect – something that I found neither professional nor ethical, but it might be a result of the rush to get them out. Fortunately, as we progressed deeper into the COVID-19 era, the quality of these newsletters got better and better.

Overall, the first month of the COVID-19 outbreak was a shock for my team. This was exacerbated by the fact that, besides pandemic- and business-as-usual matters, we had a few large projects on our plates, like the creation of CETIN as a separate company by means of a de-merger, a 5G auction, and others.

When it comes to my team, we started each day with an online legal meeting at least to see each other. It really felt like a war room, where we agreed on our daily tasks. Since our employees’ satisfaction is measured weekly by our HR function, I was not surprised to see that in the “workload” part my team was not among the happiest in the company. That said, I feel, in general, that most of them appreciated that we could set up proper collaboration online and were able to discuss and get advice from each other. I found myself spending more time dealing with my colleagues than before the COVID-19 outbreak.

### The Dust Settles?

I’d say that, by May, many things were already settled or were starting to settle down, and the workload started to normalize – I could even note that my team’s job satisfaction started to rise according to the HR surveys. Now summer is here, meaning we have some time to relax on holidays and, fingers crossed, we’ll soon get back to a “normal” state, while taking the positive lessons drawn from this experience with us. ■

# FIGHTING SPIRIT: KEEPING PRODUCTION LINES IN TIMES OF CRISIS

Keeping a production line running during the COVID-19 crisis isn't easy.

By Przemyslaw Witas, General Counsel, CEDC International



Przemyslaw Witas

It's mid-May 2020, somewhere in Poland. You are a lawyer. You work in a law firm, development company, or bank. You deal with transactions or give opinions on complex lease agreements or financial products. Just like every other day, you went to a store near the house for milk, cheese, sweets, washing powder. From time to time, you buy a

bottle of wine for dinner or whiskey or vodka to meet friends. It is a warm spring evening, you have just had dinner and are watching a news channel where they discuss the details of another loosening of the restrictions introduced in March and April in connection with the COVID-19 pandemic. You mention for a moment the ending lockdown. It comes to your mind that the products you bought today in your store were available throughout that strange period. "Nothing was missing. Someone had to produce and deliver those," you say. "How did they do it when everything was closed?" you ask. You remember that, however, not everything was closed. While working at home, you saw the vans delivering to stores, and people at the bus stop going to work. The factories produced and people worked in them. You are a lawyer, so after a while, you start to wonder what the lawyers, if any, did in the companies that kept operating during the lockdown. What did those lawyers do while you were working all closed up at home?

Well, I would like to tell you what the lockdown time was like for lawyers in a company that did not cease operations and produced those goods that you saw in the store throughout the lockdown.

I will first present to you, dear reader, my workplace. It is a company that

produces its own brands of alcohol beverages in two factories located in Poland, and imports, on an exclusive basis, world-famous alcohol brands to Poland. The company is the number one player in Poland on the alcohol beverages market. We operate at a truly large-scale. The company has a very important Operations Department. It is a large department managing the entire production process, from purchasing raw materials and packaging through production to storage and delivery to customers. It is not just people at production lines and in the warehouses. The department has technologists developing new products, specialists managing tax warehouses, and supply, production, and inventory planners. The complexity of the Operations Department is huge, each of those elements is a separate, complex business process.

## Lockdown

The first regulations directly related to the COVID-19 pandemic entered into force in Poland on March 8, 2020. On Tuesday, March 10, 2020, the government announced that it was closing all kindergartens, schools, and colleges. There had already been a Crisis Management Team operating in my company. I was – and am – a member of that team, along with our General Manager, the Head of the Operations, and

people representing other functions. We meet every day, analyze the progress of lockdown restrictions, and agree on issues that are important to ensure the company's ongoing operations.

**Home Office**

The law effective as of March 8, 2020, gave the company the opportunity to order the employees to work outside the office. This work mode is officially called "remote work" and popularly referred to as "home office." When the closure of schools was announced, we decided that all the employees at the company's headquarters in Warsaw (approximately 200 people), the employees of offices at the production plants, and the employees at our shared services center, serving the entire capital group, would start working remotely no later than Monday, March 16, 2020. Thanks to the cross-functional cooperation (HR/IT/Legal/Crisis Management Team) we quickly set the necessary details and an application was created to allow the electronic circulation of formalities enabling employees to legally switch to remote work mode.

Remote work is not only the experience of the office workers. Our entire Sales Team, including sales representatives directly visiting the points of sale, went into remote operation. Later, in May, the sales representatives would be the first to return to regular work. For now, however, they are starting to cope with the new reality by contacting customers by phone. After a few days, the whole market got used to the new mode of operation.

Remote work is a new experience for all employees. Our HR Department quickly provided us with the tools to tame the new situation, including webinars with a psychologist discussing the specifics

of remote work. For me as the head of the department, it was inspiring. I established daily routines with my team, thanks to which, despite working from home, we had constant contact, ensuring the flow of information and the opportunity to consult on all matters. Technology also helped a lot. After a while of getting used to it, we worked just like in the office: separately, but together.

**Working in Factories and Warehouses**

The Polish government announced further restrictions on Friday, March 13. Our analysis of the new regulations, made immediately after their announcement, confirmed that no restrictions had been introduced for CEDC's production operations in Poland, and domestic and international cargo transport was also allowed. Therefore, the employees of the Operations Department could continue working in the factories and warehouses without hindrance. In their case, remote work is impossible.

In the following weeks, the Polish Government kept announcing additional restrictions and rules on social distancing, applicable to any workplace. On the basis of the new regulations, our company developed new organizational rules, determining appropriate distances between work stations, and rules for moving around the production plants. We developed rules for measuring employee temperature in the factories and warehouses and new rules for accepting deliveries and pickups of products. The Legal team participated throughout, advising on an ongoing basis with regard to the new regulations.

On the side, you can see some photos showing the changes introduced in production plants and warehouses in response to the new regulations.





**Lockdown Legal Environment**

In Poland, the lockdown regulations were introduced by the government through ordinances of the Council of Ministers and individual ministers (including the Ministers of Health and Interior, among others). The government acted on the basis of the Law of 2008 on preventing and combating infections and infectious diseases. Consequently, the introduction of new regulations was much faster than the adoption of new laws would have been under a regular legislative path. Therefore, leaving aside the legal controversies associated with that approach, we had to react to a quickly changing legal environment. Usually, the government announced new lockdown rules at press conferences during the week, and the rules themselves were published on Friday evenings.

In Poland, the strictest lockdown rules were put in force in April 2020. Starting the beginning of May 2020, the restrictions were gradually lifted at two-week intervals.

Examples of restrictions introduced in Poland during lockdown:

- Closing borders for non-cargo traffic
- Mandatory 14-day quarantine for persons arriving from abroad
- Ban on operations of shopping malls (excluding grocery stores, pharmacies, and drugstores)
- Ban on restaurants, entertainment (cinemas, theaters, concerts), and recreational activities
- Restriction of all gatherings (in peak lockdown, a maximum of five people were allowed in church or at funerals)
- Limiting the number of people in

the stores (in peak lockdown: maximum three people per checkout) and the introduction of shopping hours for seniors

- Obligation to keep a distance of two meters while walking
- Prohibition of movement, except for performing professional activities or satisfying necessary life needs
- Prohibition for persons under 18 years to move without adult supervision
- Limiting the number of people on public transport
- Obligation to cover faces in public places
- Mandatory use of disinfectants or gloves and to maintain a distance (1.5 meters) in the workplace

Each time the government published new lockdown regulations, the Legal team informed the Management Team and the Crisis Management Team accordingly. The practical consequences of those provisions were discussed immediately, regardless of the day of the week. Our culture of cross-functional cooperation as well as the individual burden of duty of people involved in the process worked well. Operations Department employees who continued their work in the facilities during the lockdown were the main recipient of all organizational initiatives based on the new regulations in the company.

There were no restrictions at any stage of the lockdown preventing our company from doing business. The delivery, factory, and warehouse workers had no restrictions on arrivals to work.

However, the economic environment in which our company had to operate changed radically, and economic

indicators began to be revised from day to day. The company's Management Team undertook business activities on an ongoing basis to limit the impact of the market situation on the company's condition. That is a subject for another time.

### Force Majeure and Disputes and ... Business as Usual

Since the beginning of the lockdown, the concept of "*force majeure*" has become an important issue for the Legal team. The topic is known to every Polish civil law practitioner, except that by 2020 it was mainly theoretical knowledge. From mid-March 2020, everyone suddenly started using the concept of *force majeure*. For me, that meant an express return to the Civil Code, a handbook on contract law, and a review of case law.

Immediately after the introduction of the lockdown, we noticed an increased demand for legal analyses regarding the non-performance of contracts, including contracts for the supply of raw materials (I am not authorized to refer to details here, but let's just say that they are important for our production). The arguments used by the suppliers were always the same: we have to make deliveries for other entities, we are not able to make deliveries for you, the situation is extraordinary, it is not our fault.

"Our conclusion was one: the state of epidemic and lockdown are not in themselves *force majeure*. It all depends on the individual situation, the clauses in the contract, and the business environment in which you operate."

Our conclusion was one: the state of epidemic and lockdown are not in themselves *force majeure*. It all depends on the individual situation, the clauses in the contract, and the business environment in which you operate. If in a state of a pandemic, the government orders the closure of your business (whether or not the Polish government did so properly in these circumstances is a topic for a separate article) and you are not in a position to fulfill your contractual obligations, you probably can successfully cite *force majeure*. If, in the same state of a pandemic, the government allows you, your suppliers, and your customers to continue the business, then invoking *force majeure* will not be effective. If your contractor refers to *force majeure*, check the contract and the circumstances concerning its performance, because *force majeure* does not work automatically, and it must be interpreted in a specific context.

In the case of our contracts, after analysis, it turned out that relevant business circumstances did not prevent our suppliers from performing their deliveries. The fact that, overnight, suppliers received prices much better than the ones we had agreed to was determined to be the real reason for not delivering. The Legal team was involved in every conflict situation, and our opinion was the starting point for business decisions. The efforts of the Operations Department employees have allowed many conflicts to be resolved. It turned out again that our cross-functional culture brings the results. We avoided cases in court and the non-completed deliveries have been moved to new dates. Our relations with conflicting suppliers are now returning to normal.

During the lockdown, the Legal team kept analyzing subsequent versions of the anti-crisis regulations adopted by

the Polish Parliament. Those provisions, known as the Anti-Crisis Shield, constitute a set of new regulations applicable to companies, employees, and beyond. The scope of the Anti-Crisis Shield extends from governmental financial support for the companies and employees affected by the pandemic, through the changes in labor law, changes in the court deadlines and changes in criminal law, to a number of changes in various detailed laws. To date, several successive versions of the Anti-Crisis Shield have entered into force. We followed subsequent versions of the Shield, catching the issues relevant to our company. Another tool announced by the Polish government was the Financial Shield: a program to finance corporations through a dedicated governmental fund and commercial banks cooperating with the fund. I also continued to advise on different elements to the Finance Shield. [See page 68]

"In the case of our contracts, after analysis, it turned out that relevant business circumstances did not prevent our suppliers from performing their deliveries. The fact that, overnight, suppliers received prices much better than the ones we had agreed to was determined to be the real reason for not delivering"

In addition to extraordinary matters, the Legal team handled the Operations Department as before. The ongoing projects were not interrupted. By way of example, in our company, expanding a warehouse space is a complicated

“The operation of an in-house lawyer in a company that continues operating in an extraordinary social and legal environment was a unique experience. So too was it to work during that period for a company that had a large production capacity and put all the efforts to maintain its supply chains without interference. The lockdown proved to be the final test for the Legal team in the organization”

process that requires a number of formalities due to permits for the sale of alcoholic beverages and various tax requirements. Our daily work for the Operations includes contracts with packaging, label, and media suppliers, contracts regarding transport and other logistics matters, and investment contracts. All those more or less routine matters were continued during the lockdown without interference. The fact that the lawyers were working from home was not an obstacle. The number of instructions generated by the Operations Department requires good organization and information flow. The key is the selection of a proper team. A team based on experienced legal counsel capable of handling the cases independently, supported by younger lawyers, is my model of managing the work for key departments, including Operations. Recognition for the work of the Legal team that was expressed by our Head of the Operations, among others, confirms that the model works.

### Back to Normal

As I have already mentioned, from the beginning of May, the restrictions introduced in Poland during the lockdown have been loosened in several stages. At the moment, the most visible manifestation of restrictions is the obligation to cover faces in public places. My team returned to the office in July, but took place under various restrictions. Our production and logistics facilities continue to operate without interruption, as they did throughout the lockdown period.

### Conclusions for the Future

The operation of an in-house lawyer in a company that continues operating in an extraordinary social and legal environment was a unique experience. So too was it to work during that period for a company that had a large production capacity and put all the efforts to maintain its supply chains without interference. The lockdown proved to be the final test for the Legal team in the organization – it was possible to see with all intensity whether the Legal team is an added value for the organization and whether lawyers’ opinions can influence business decisions. It is not my role to assess whether the CEDC Legal team met those obligations. We certainly did not sit with our arms folded; we worked as hard as before the lockdown, or even harder. Remote work, within the team and with other functions, requires greater concentration, and communication takes more time – as does preparing the documents and the handling of ongoing matters.

I focused here on the description of the legal support given during the lockdown to the Operations Department.

That is only a part of the legal services provided to the company. Our Legal team served at the same time all other functions in the company: Marketing and Trade Marketing, the Sales Team, Finance, group-level matters, and supporting departments (HR, IT, and others).

Our work, for Operations and every other function, was carried out with the awareness that it takes place at a special moment, and that the work of a lawyer is part of a team effort to ensure the continuity of the company’s business. This was very motivating for us lawyers. We are aware that we have managed to keep things afloat in an unprecedented situation. We have a very positive and motivating feeling that the Legal team is part of a very comprehensive organization.

Referring to the introduction of this article, I think that as a Legal team, we were involved in the fact that our company could produce and bring to your store the products that were on the shelf at the time when you were shopping during the lockdown time, wondering what would happen next. Perhaps the fact that our products did not disappear from the store gave you a sense of normality at a very abnormal moment. That thought is very rewarding for us. In any case, you probably did not expect the Legal team to have anything to do with it. And yet, a lawyer too can be a part of the production process.

I wish, for all of us, that despite the uniqueness of the situation and all the useful – I hope – experience gained through it, the lockdown will never happen again.

May we live in the most normal and ordinary times possible! ■

# DATA PROTECTION AND CYBERSECURITY IN A COVID-19 CONTEXT

**John Giannakakis, General Counsel of the Andromeda Group, shares his insights on data protection and cybersecurity compliance issues – made all the more pressing in a COVID-19 context – and the best practices he has developed for assessing risks and nurturing a compliance culture.**

**CEEIHM:** Let's start with a wider perspective. What are the main ways in which the COVID-19 crisis impacted your role as a General Counsel of the Andromeda Group?

**John:** COVID-19 established a new normality in the way we work. Remote working, virtual meetings, and online decision-making became the new business standard. For me personally, the pandemic was a key driver to re-evaluate my professional priorities and focus on the essential, leaving aside any surplus. The new normality drove to new business-critical competencies such as adaptability, stakeholder management, action vs debate driven, and data-driven working.

**CEEIHM:** Data protection/privacy has been at the top of the agenda for GCs for a while now. How has the current situation impacted this area?

**John:** The entry into force of the General Data Protection Regulation (EU 679/2016) and the NIS Directive were game-changers for the privacy and cybersecurity universe. Those two pieces of legislation were undisputedly game-changers for businesses and regulators worldwide – not only within the European Union – as they imposed an increased set of compliance obligations for Data Controllers and Data Proces-

sors, making them accountable for their level of compliance against the GDPR requirements. Moreover, The EU directive on the security of Networks and Information Systems can be just as influential on IT as GDPR has been. The NIS Directive applies to all EU member countries and allows each country the flexibility to adapt legislation appropriately for alignment with other national legislation and circumstances, which means each country will have their own versions and specifications. But broadly, the NIS Directive concerns the security of nationally important infrastructure such as energy, water supplies, transportation, and healthcare. The Directive provides the legal footing to:

- Ensure that EU members have a national framework so that they are equipped to manage cybersecurity incidents and oversee the application of the Directive.
- Set up a Cooperation Group among EU members to support and promote strategic cooperation and the exchange of information across country borders.
- Ensure that organizations that rely heavily on information networks are identified by each EU member as “operators of essential services.” Those OES will have to take appropriate security measures to manage risks to

their network and information systems. The OES will be required to notify the relevant national authority of cybersecurity incidents.

This means that any organization that operates and maintains infrastructure in energy, healthcare, transportation, and water services will have to comply with the NIS Directive as well as the GDPR and risk being fined double for data breaches.

**CEEIHM:** What are the main concerns, from a legal/data protection perspective, when we talk about remote working?

**John:** The COVID-19 pandemic is the ultimate game-changer that has turned many things, especially business, on its head. In response, most companies are implementing work-from-home arrangements for employees so they can keep things running.

Along with all the cautions about online scams and email phishing, another pitfall awaits: It's possible that without a legally sound remote work policy, your efforts can unexpectedly create significant legal problems. Key concerns for remote working include: clear policies on remote working (e.g. a Bring Your Own Device Policy, Information Security Policy, and Acceptable Use Policy), data security concerns (prior IT clear-



John Giannakakis

ance of employees' own devices, VPN use, authentication protocols, *etc.*), discrimination-related issues (*e.g.*, women with small children or employees with disabilities working from home), and health and safety issues for employees working from home.

Here are some useful guidelines for businesses when it comes to working from home:

**1. Eligibility:** Determine what positions are eligible to work remotely, and state them in your policy. If you have no remote-compliant positions state that from the beginning, eliminating any future requests or inquiries about remote work.

**2. Availability:** If you allow remote work, then availability expectations should be outlined in the policy.

Whether it's instituting a blanket 9 a.m. to 5 p.m. work requirement or letting employees set their own schedules, it should be put in the policy.

**3. Responsiveness:** Define whether a remote employee is expected to respond to a co-worker immediately, and also specify what modes of communication should be used.

**4. Measuring productivity:** Remote work policies should specify how an employee's productivity will be measured.

**5. Equipment:** Remote workers need the right tools to complete their work. Therefore, companies need to state what equipment they are willing to offer to these employees. If they expect employees to provide their own computers, for example, then they need to specify that.

**6. Tech support:** Specify what tech support will be offered to remote workers. Outline what remote employees are expected to do when having technical difficulties, so there is a plan of action.

**7. Physical environment:** For health and safety, some employers prefer or require an employee's physical environment to be approved prior to working remotely.

**8. Security:** When information is taken out of the office, security is not guaranteed. Employees need to be extremely careful when doing work in public and rules must be put in place to guarantee electronic security and proper disposal of paper.

**CEEIHM:** How would you go about running an audit of the risks your company is exposed to?

**John:** As a certified Data Privacy Auditor I have been accustomed to running data privacy audits in organizations of all sizes. An audit must follow a spe-

cific plan, and produce evidence and results (deliverables), hence a well-performed audit needs to be implemented by experienced auditors based on a well-structured audit plan. The key risks for the Andromeda Group, for all types of businesses, are: Strategic risk, Operational Risk, Compliance Risk, Financial Risk, and Reputational Risk. As an auditor, you need to establish a well-thought audit plan to address all the aforementioned risks. Some useful tools can be software solutions that help you implement the audit producing charts, timetables, spider webs, and other deliverables.

**CEEIHM:** Obviously, the legal team can't address all concerns on their own. What other functions should be involved and what best practices should be employed?

**John:** The legal and compliance function, as a support function, needs to establish a business partnership profile in all business areas. Working closely with HR, IT, Sales & Marketing, and Risk & Internal Audit, the legal function needs to act as a valuable business partner by suggesting solutions instead of just identifying the problems, protecting the business interests of the company, its management, and stakeholders, establishing a compliance culture within the business and add tangible and business-relevant value. These will be the success metrics for GCs in today's and tomorrow's business world in general.

**CEEIHM:** Much of the pre-emptive solutions rely on users' behavior as well. What can/should a GC do to nurture a compliant culture within his or her organization?

**John:** Some practical advice to nurture a compliance culture within your organization:

**1. Stay informed:** The legal landscape is changing rapidly and it is important to fully understand the law in the jurisdictions where your company operates. Consider creating a mechanism to keep yourself informed and to help you anticipate, identify, prioritize, and react to change. Enlist the help of local legal liaisons to keep up to date and be sure to broaden your sources for information and best practices, for example by attending ethics and compliance conferences.

**2. Identify your organization's risk areas and obligations:** It is not always easy to determine which provisions apply to your organization, but doing so is important. For instance, when setting up your whistleblower/compliance hotline you'll need to know whether any country-specific regulations apply. Further, ensure that your organization has conducted an ethics and compliance risk assessment and that the findings inform the operation of the ethics and compliance program. Doing so will help you make the best use of scarce resources.

**3. Keep key decision-makers up to date:** You may be in the best position to regularly update senior leadership on ethics and compliance regulatory and best practice developments. Include this information in your regular communications and as part of your risk assessment process.

**4. Develop targeted communications and training:** Often the most successful way to implement such training for those impacted by regulations is to involve local managers, or "compliance champions," both to ensure cultural resonance and local relevance as well as to demonstrate that these policies are priorities of the business, not just the ethics and compliance team.

**CEEIHM:** Many believe working from home will become more common, even after the outbreak. Do you agree, and if so, what should GCs plan, to cope with this change in the nature of work?

**John:** Personally I am most confident that the remote working practice will become a standard business norm. GCs should incorporate all digital tools at their disposal to be able to allow remote working without any business disruption:

■ **In general, GCs should select collaboration tools that make connecting easy:** One of the most important parts of having an effective remote team is making sure that collaboration tools are in place so that members of your team can easily work together as if they were in the office together. Look closely at the needs of your organization and find a tool that meets those needs. Some things to look at when searching for a tool include the ability to file-share among teammates, video-conferencing availabilities and features, and email and chat offerings. You want to focus on a solution that is intuitive and easy to use.

■ **Educate your staff:** While a great collaboration tool is very important, it is just as important to have your staff trained on how to use it. Make sure your teammates are all comfortable using your collaboration tools and know-how to make the most of the program.

■ **Optimize remote access to the corporate network:** In order to make working remotely effective for the legal team, the GC needs to make sure that team members can easily and effectively access the organization's internal network from home. Make sure that your team members have adequate Internet bandwidth at home to make accessing the network easy as well. There are a couple of ways

the team can access the internal network remotely. They can use a VPN – but you will want to make sure your VPN solution can support the required number of connections. Another method is to use a Virtual Desktop Infrastructure such as GC Connect to start a remote session on a work device remotely.

■ **Prioritize Security:** As with all aspects of the legal team's business planning, the GC should be thinking critically about cybersecurity plans and solutions when working with a remote workforce. As companies have scrambled to adjust to remote workers, attackers are seeing an opportunity to take advantage of vulnerabilities. Workers are now more exposed as they sit outside the corporate network and its perimeter protection measures. Conduct cybersecurity training for all users and regularly brush up on what they have learned. Make sure that in-transit traffic is encrypted, as this traffic will likely traverse the public Internet. Make sure to use MFA where applicable and have your teammates use a company-owned device to work instead of a personal device to limit who has access to your data.

■ **Check-in and prevent isolation:** While the benefits of working remotely can include less commute time, more productivity, and more flexibility, it is important to also consider some of the cons. A major concern for remote workforces is the feeling of isolation, especially as remote work continues on a long-term basis. To address this, it is recommended to send regular company-wide and team-wide communication so the team continues to feel connected. Encourage the use of video-conferencing and suggest that all teammates turn on video. Maintain a regular cadence with the team and take the time to reach out and connect regularly on an individual basis as well. ■

# INVESTIGATING HOW TO CONTINUE INTERNAL INVESTIGATIONS

The role of internal investigations in an effective compliance program remains critical despite the significant impact of the COVID-19 outbreak and resulting work-from-home set-ups. **Altug Ozgun, Ethics & Compliance Director**, explains how he runs them for **Astellas Pharma**.

**CEEIHM:** Tell us a bit about your career leading up to your current role.

**Altug:** Thanks for this opportunity. I have worked as in-house counsel and a Legal and Compliance Director, representing multinational organizations, throughout my career – spanning over 15 years. The sectors I have been responsible for include pharma, medical devices, insurance, investment, real estate, and telecommunications. I'm currently focused on compliance, healthcare law, data privacy, employment and corporate law issues.

**CEEIHM:** How has the COVID-19 outbreak impacted your work as a GC?

**Altug:** As legal and compliance professionals, our role is to adopt proactive measures and calculate the risks in a dynamic working environment. However, no one has foreseen such a tragic pandemic and the paralyzing business effects it brings.

At first it was seen as a temporary period, then later we all had to adapt to a “new normal” and drive additional measures like working from home, social distancing, and other precautions to provide social health and employee well-being.

I think one lesson we have learned is

to adapt to uncertainty and act quickly during crisis times. In Turkey and neighbouring countries we have lived with crisis, so legal and compliance professionals working here may be considered more immune to this. We have had to adapt ourselves to a new daily routine where digital meetings and the need for quick consultation has increased. As Franklin Roosevelt once said: “A smooth sea never made a skilled sailor.” So this process has led legal and compliance professionals to be more skilful sailors during this journey.

**CEEIHM:** Let's talk about internal investigations. How does one normally run in your company, and how has the current situation impacted that?

**Altug:** Internal investigations are among the core elements of an effective compliance program and a defense mechanism for the corporation in fighting misconduct. According to the ACFE 2020 fraud report, 43% of all frauds are detected through tips by whistleblowers. Accordingly speak-up systems and internal investigations are still the best methods to proactively mitigate corporate scandals.

To give you an example, say we receive a serious complaint on bribery through our speak-up line. The first step would be to respond to the whistleblower,

assuring him/her that the speak-up has been received and collect more information about the claim. The next step should be to abide by the internal reporting rules and assess whether external legal and finance consultation is needed. The third would be to collect evidence from relevant departments within the organization while maintaining confidentiality on a “need-to-know” basis. The next step should be planning an investigation team, investigation tools, timing, and logistics. After that the investigator should use every tool available –including, but not limited to conducting interviews – and finalize the investigation with a report which includes a root-cause analysis and recommendations for remediation actions.

Due to the ongoing COVID-19 crisis this was one of the questions: How can we conduct these internal investigations? The speak-up lines are used more frequently during pandemic times. This is due to concerns about human resources and employee well-being measures. However, this was also a time for the employees to stay distant from their daily routines and observe their environment. So, whistleblowing cases saw an increase, while companies shifted to more mobilized approaches to protect the health and safety of employees. Accordingly, corporations have been

faced with a dilemma as to the right way of conducting internal investigations.

**CEEIHM:** What tools have you been using to meet these challenges?

**Altug:** Every corporation which deals with internal investigations has faced similar problems and reviewed their initial investigations protocol to meet these new challenges. For internal investigations, usually the governing bodies are legal and/or compliance functions. During this time, marked by the pandemic crisis, compliance functions have started to interact more with Human Resources, Workplace Safety, Finance, and similar departments. The first decision to consider is: Can we postpone this investigation until the new normal is established? If the allegation is very serious and involves a potentially high risk to the corporation and there is no option but to conduct the investigation, then the second question should be how to gather relevant data within the organization during distance-working times.

It's important to use data analytics and access evidence gathering platforms within the company by legal and/or compliance professionals. So, this was a test for corporations which had already set up such internal capabilities because while distance-working, it is hard to communicate with other functions within the company and collect necessary information required for the investigation.

A third consideration would be to look at the internal interview process, as this is a crucial part of the internal investigation and, during the pandemic, it was impossible for the interviewers to conduct physical meetings. This was also a challenge for the interviewers as they have been trained to conduct in-person interviews and digital interviews are



Altug Ozgun

completely different. It becomes very limiting to not be able to observe the interviewee's responses and body language and evaluate credibility while maintaining confidentiality. It's also a critical to get a legal opinion if either party would like to record the interview as evidence during an electronic or telephone-based interview process.

**CEEIHM:** What lessons have you learned from this process – how do you expect it will influence the way you run internal investigations post-COVID-19?

**Altug:** The limitations of remote interviews may be used by the interviewees for their advantage. The interviewee may dial off from the interview as a tactic to gain time or get help from other people for crucial questions. Investigators should also be mindful of how to ask interviewees for documentation during interviews. If the investigators choose to ask about documents not before but during the interview the interviewee can also share his/her

desktop, but the investigators should also consider data privacy legislation and get a legal opinion for this route. The remote interview process also possesses a significant risk in terms of the jurisdiction of the interviews if the interviewees are in different countries. The investigator should also think about different legal requirements in other jurisdictions, not only in terms of data privacy but also attorney-client privilege issues whenever the interviewee would like to consult his/her lawyer during the interview.

In summary, it's worthwhile to say that before conducting a remote interview/investigation, corporations need to think about the different aspects – both technical and legal, and to consider the human resources aspect for these interviews. It would be a best practice to train the investigators for remote interviews and to get the necessary legal opinions and run a test before the interview, to be prepared for these challenges. ■

# NAVIGATING THE USE OF DATA THROUGH UNCERTAIN WATERS

**The tension between the demands of different regulatory bodies from a use-of-data perspective.**

**By Adriana Minovic, Group Head of Data Privacy and DPO, Betsson Group**

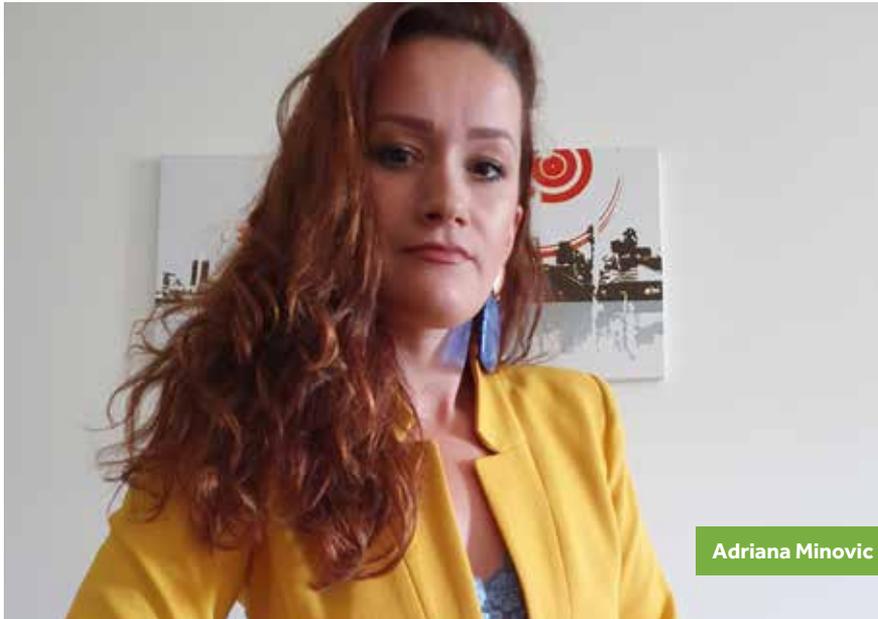
Two years after implementation of the General Data Protection Regulation (GDPR) started, it became clear, through diverse case law and decisions of local authorities, that the GDPR had set a good framework for personal data protection. However, it also became clear that this is a general framework that can't be applied in the same manner across all industries. For that reason, industry-specific interpretations by regulatory bodies or local data protection authorities (DPAs), as well as industry codes of conduct, become the key tools for further interpretation of the GDPR. In addition, due to the multidisciplinary nature of personal data protection, which tackles numerous areas, such as human rights and ethics, legal/regulatory issues, technology/security, business and operational processes, and even market/economic issues, it became evident that use of data is not only the issue of local DPAs. Data protection and use of data became the main topic on the agenda of many other regulatory authorities, such as consumer protection and competition authorities, ethics committees, and other regulators. However, the enforcement actions of local authorities in different industries reveal that still there is no harmonized approach and no established way of cooperating when it comes to the intersection of

data privacy with other areas.

One would think that at least this should be an easy task in the context of clinical trials and the life-science industry, since personal data protection and privacy are among the key ethics/regulatory requirements in the industry. However, although the GDPR did not bring substantially new concepts to the industry, there was a lot of struggle when it came to its implementation in clinical trials. The main challenge is exactly the fact that personal data protection was present in the industry regulatory requirements for a very long time before the GDPR, so that when the GDPR came into force it was difficult to understand the difference between regulatory and GDPR requirements. This was clearly presented in additional GDPR consents now required on top of the regulatory Informed Consent Forms (ICF) required from ethics committees and/or regulatory authorities. Although this was explained as being in the interest of participants of clinical trials and transparency requirements, in the end, it turned out that demanding multiple lengthy consents with the same information just explained in a different manner only caused consent fatigue and even confusion among participants. The European Data Protection Board already

tried to clarify this relation in its January 23, 2019 Opinion Concerning the Questions and Answers on the Interplay Between the Clinical Trials Regulation (CTR) and the General Data Protection Regulation (GDPR), but, the EDPS made it very clear in its January 6, 2020 Preliminary Opinion on Data Protection in Scientific Research that we can have one legal basis from a regulatory point of view (*i.e.*, ICF) but another from a data protection point of view (*i.e.*, not necessarily consent). Although it is still too early to see developments based on this Opinion, we can expect that the current approach of regulatory bodies will change in this area for the benefit of the industry as well as participants of trials by presenting brief but relevant and comprehensive information.

On the other hand, unlike in the previously mentioned example, where DPAs and regulatory authorities have the same approach to the use of data, we have a whole set of industries, such as the gambling industry, that is bound by strict AML and regulatory requirements (such as responsible gaming – RG, sports integrity, *etc.*) that are looking at the use of data from a completely different perspective: that of data maximization. In the last few years, we have noticed that, among regulatory authorities in this in-



Adriana Minovic

dustry, on the one hand we have higher regulatory expectations from operators asking for extensive checks and assessments of customers (such as the single customer view initiative in the UK<sup>1</sup>), while on the other the way that these will be conducted is left up to operators to define. As a result, operators are put in a very difficult position where, from a regulatory point of view, they need to collect, process, and even share huge sets of data in order to do extensive AML, RG, and other checks. However, at the same time, they need to make sure that this is in line with data privacy requirements that, among other things, require an adequate legal basis for the collection/processing of personal data and data minimization. Therefore, this relationship between data privacy and regulatory/compliance requirements in the industry is becoming ever more conflicting and complex due to the lack of clearly defined requirements in new regulatory obligations, especially where these should include processing of special categories of data, use of innovative

technologies (such as AI), extensive profiling, *etc.*

Finally, and currently maybe one of the most controversial topics, is the relation between data protection and data markets. Although many human rights advocates are trying to separate these two issues since they consider that giving an economic value to data and accepting the trade of data would undermine the very idea of personal data protection, which is closely attached to the right to privacy, it is clear that the reality is different. In the last few years, we have seen big tech companies being fined by competition or consumer protection authorities for violating competition rules due to their use of personal data<sup>2</sup>. Therefore, it is becoming clear that the use of personal data is a market issue as well, which should be monitored by the relevant market (competition and consumer protection) authorities. This is also confirmed by the EU Commission Commissioner Margarethe Vestager during her keynote speech on the IAPP conference in 2019 who said that: “to

*tackle the challenges of a data-driven economy, we need both competition and privacy regulation, and we need strong enforcement in both. Neither of these two things can take the place of one another, but in the end, we’re dealing with the same digital world. Privacy and competition are both fundamentally there for the same reason: to protect our rights as consumers<sup>3</sup>.”*

Therefore, it is clear that, in the future, market authorities will focus closely on the use of personal data and its implications on competition on the EU market.

Having in mind the above, some of the authorities have recognized the necessity to cooperate and have started to work together to draft joint documents such as the guidelines of the Maltese gambling regulatory authority and the data protection authority that explain how to implement the GDPR into the gambling industry<sup>4</sup>. In addition to the efforts of relevant authorities, industry representative also realized the necessity to explain specifics in their areas within the industry codes of conduct<sup>5</sup>, which can be of significant value to regulators as well. However, we can’t avoid asking the question: Is this enough, given that we see so many sectoral laws and regulatory requirements also dealing with the use of data in different industries? Should privacy impact assessment be a part of sectoral legislative proposals that are regulating the use of data? In addition, should an economic impact assessment of legislative proposals also address market implications coming from the use of data? ■

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# RE-THINKING THE ROLE OF LAWYERS IN REGULATORY AFFAIRS

**Reflecting on the potential risks of combining the legal function with those of compliance and regulatory affairs.**

**By Elena Gabdul Khaeva, Legal & Corporate Policy Director at Uniper Russia**

Amid rapidly changing market conditions, there is a great demand for multifunctionality. Making one manager responsible for legal and corporate governance as well as compliance is a well-established trend across many industries. In practice, one manager often becomes involved in policy-related projects and regulatory affairs, or even becomes directly responsible for them. This happens especially in cases where a company needs to take a specific approach to public policy due to its operations on highly regulated and socially sensitive markets. The ultimate goal of the approach to public policy in this environment would be to balance public regulation with the company's corporate governance and to build the public-policy strategy around the public regulatory interest.

In many cases, political experts (backed, to a limited degree, by policy and regulatory experts) are the ones who drive the development and promotion of public policy with their knowledge of political processes and insight into the workings of the government. These political experts transform a business's proposals and initiatives into communication and liaison tactics needed to achieve the feasible short-term goals to further business operations.

In certain cases, companies operating in a self-regulating environment need to reorganize policymaking activities in order to allocate the key role to regulatory experts. Regulatory affairs become a cornerstone of public policy. Regulatory legal experts take on the

role of policy-makers for a wide range of policy issues. Apart from regulatory expertise, they ultimately need to have a deep understanding of the industry, and enough political altitude and business acumen to proceed with policy-making activities successfully. In recent years, it



Elena Gabdul Khaeva

seems that in-house lawyers are expected to have industry knowledge and business acumen. Political aptitude is added to this list when regulatory affairs are allocated to lawyers. Hence, regulatory lawyers handle policy-making issues on highly regulated markets successfully when the regulatory agenda implicitly dictates the company's agenda for public policy.

It is interesting that in this kind of environment, public policy is more inclined to pursue a systemic long-term approach, rather than taking a defensive approach, or one with a narrow focus on individual projects. Policy-making activities generally aim to reshape the regulatory framework of the market as a whole, through a number of interrelated proposals to adjust certain individual rules. Russia's wholesale energy market is a perfect example, where the market stakeholders – members of the NP Market Council – adopt a significant share of market regulations under the general umbrella of relevant federal laws and government regulations. Both producers and consumers on the electricity and capacity market regularly come forward with various legislative initiatives concerning specific regulatory topics, although the overall target of this regulatory association is to shift the balance in terms of market payments. Given the social sensitivity of the market, the company's public policy needs to advance public interests – as interpreted by relevant public bodies – to be able to meet its private corporate interests in the proper way. The lawyers who also deal with regulatory affairs are savvy enough to combine all of these aspects, as on the one hand they have a clear realistic view of the regulatory environment, including the social and public background of the regulatory framework, and on the other hand they

understand the industry, the company's standpoint on the market, and its business priorities. By engaging in legal and regulatory affairs, public policy-making can be improved with expertise, and by being able to view the market and the company's priorities from different angles, with involvement in all aspects of the company's operations.

However, managing both public policy issues and corporate governance or even compliance can be problematic, as these functions can conflict in certain circumstances. First, certain public-policy methods may of course appear controversial from a governance and/or compliance perspective. Second, all of these spheres require a different approach to communication, and an equal balance needs to be struck. Finally, policy-making and governance may have different short-term priorities, and they need to be carefully balanced in order to manage these functions successfully in the long run. The correct way of dealing with the issues outlined is always subject to the specific industry and company, and in a number of cases, combining public policy and governance, for instance, may not be the best solution. However, close cooperation in corporate governance may still benefit policy-making activities.

One of the core aspects of corporate governance is facilitating relations between management, the board, and the shareholders, in order to ensure powers are balanced properly. Understanding the general principles of governance as well as the governance set-up within the company allows it to respond rapidly and efficiently to policy challenges, ensuring along with this the proper decision-making process. Competent leveraging of extensive relations on various corporate levels creates a stronger basis for convincing decision-makers to accept the policy-making strategy.

The close cooperation of corporate bodies in their daily work enables them to share a wealth of knowledge and offers a great insight into the company's priorities, targets, and any potential changes in the business agenda, as well as an insight into the reasoning behind corporate decisions. Overall, policymakers can benefit from having a high-level corporate governance manager involved. The question remains whether corporate governance, regulatory affairs, and policymaking can be managed effectively by one person, and what kinds of meaningful benefits this could have for the company apart from reducing executive personnel costs.

The following conclusion can be drawn: Governance and public policy may have conflicting agendas. Governance targets risk prevention by ensuring the proper management and control of the company. Public policy often aims to resolve immediate risks at hand, and policymakers take a defensive and short-term approach. Being responsible for both functions makes it easier to complete the task of balancing internal governance and public policy from a strategic perspective. Having a deep understanding of the regulatory market and its underlying processes makes it possible to predict potential risks from a more long-term perspective, and then arrange those risks and governance expectations in the order necessary to form the relevant policymaking plan to mitigate the risks. Regulatory and legal expertise increases the company's political influence as a respected voice in the industry, and this is increasingly the case in a self-regulating market.

Thus, by combining legal, regulatory, governance, and policy expertise, a long-term public policy, one that is more balanced and proactive, can be implemented. ■

# THE IN-HOUSE TEAM BEHIND THE FINANCIAL SHIELD PROGRAMS

The “Financial Shield” programs are a part of the Polish Government-established “Anti-Crisis Shield” aid program, implemented by the **Polish Development Fund**. The programs, worth PLN 100 billion, aim to protect the labor market and to ensure companies’ financial liquidity in periods of severe economic disruption. **Joanna Dynysiuk, Head of Legal, Anna Wawrzynczak, Office Director – Legal Office – Corporate, and Anna Blonska, Office Director – Legal Office – Investments**, describe the programs and the legal work behind it.

**CEEIHM:** To start, please tell us a few words about the Polish Development Fund – the PFR.

**Joanna Dynysiuk:** Although the PFR is a relatively young organization, we have quite a long list of achievements and are a successful financial group operating within the new configuration of Polish developmental institutions. The group is led by Pawel Borys and its mission is to implement programs enhancing the long-term investment and the economic potential of Poland. We have made over 30 investments in a few short years, with the acquisitions of Bank Pekao, DCT Gdansk, PESA Bydgoszcz, and Polskie Koleje Liniowe being a few examples.

**CEEIHM:** What is the “PFR Financial Shield for Small- and Medium-Sized Enterprises” program in a nutshell and what is the role of the Polish Development Fund in it?

**Joanna Dynysiuk:** The Financial Shield is part of the government’s response to the coronavirus outbreak and aims to support businesses by bolstering liquidity, helping to cover costs of ongoing business operations, and maintaining employment.

It is intended for micro-, small-, and medium-sized enterprises which, as a result of the coronavirus, saw a decrease

in monthly turnover of at least 25% in the period after February 1, 2020.

The program consists of two sub-programs: (i) the Financial Shield for microenterprises offering in total PLN 25 billion, and (ii) the Financial Shield for small- and medium-sized enterprises which will receive up to PLN 50 billion. The financial support provided to entrepreneurs under the program is in the form of loan-like instruments (financial subsidies). Companies fulfilling the criteria of the program after 12 months may apply for a financial subsidy of which up to 75% may be redeemed. The rule is that the subsidy must be repaid within 24 months. The financing will be provided to companies until July 31, 2020.

To put it simply, the PFR’s activities in the program could be most easily compared to the activity of a bank: we had to raise funds for the program, enter into agreements with beneficiaries (indirectly, through the banks), distribute cash to the companies and, finally, collect cash from beneficiaries (the unredeemable part of the financial subsidies).

**CEEIHM:** This obviously caters to small- and medium-sized companies. What does the PFR offer to large companies?

**Anna Blonska:** For such companies, we have the “Financial Shield of the Polish Development Fund for Large Enterprises” program. This is for large enterprises employing 250+ employees and/or with an annual turnover in 2019 exceeding EUR 50 million and a balance sheet of more than EUR 43 million. While this is principally for large enterprises, subject to meeting certain additional criteria it is also possible for some small- and medium-sized companies to benefit from this support.

The program consists of four main instruments: liquidity loans, write-off loans, equity instruments offered in a public aid regime, as well as equity instruments offered on an arm’s-length basis.

In general, the financing for large companies will be provided until December 31, 2020.

To apply for support the entities must complete the application form found on our website. The applications are verified directly by our experienced Investment Team based on transparent and published criteria.

**CEEIHM:** How did the PFR raise the funds for both programs?

**Anna Wawrzynczak:** In order to distribute funds to Polish firms, the PFR



Anna Blonska



Joanna Dynysiuk



Anna Wawrzynczak

launched a bond-issuing program of PLN 100 billion (EUR 22.1 billion) with bonds valued at PLN 1 million each. The fund-raising activity has been conducted in the domestic market so far but we don't exclude reaching out to international investors in the future. The bonds are fully guaranteed by the State Treasury. The entire bonds program required close cooperation with the Polish Ministry of Finance. We also had to negotiate the terms and conditions of each issuance with the major banks distributing the bonds in the market and other financial institutions subscribing to the bonds. The financial instruments are registered with the National Securities Depository and listed on the Catalyst alternative trading system of the Warsaw Stock Exchange.

As you can imagine setting up the entire

legal framework for the bonds program was a huge undertaking and required close collaboration between the major players, such as the government, banks, investors to which the issuances are addressed, depository, and the stock exchange. Given the urgent need for support of Polish entrepreneurs, we worked around the clock. Spring this year was exceptional due to the COVID-19 outbreak, but for those of us working on the resolution, it also meant working significant amounts of overtime to get the programs in place. We managed to raise the first funds in just three weeks instead of the usual few months. The first subsidies were distributed to firms just one day after the first series of the bonds were issued hitting a daily spend on SMEs of PLN 2 billion. Taking advantage of the Polish financial sector's online banking platforms allowed for swift and secure distribution of the funds.

**CEEIHM:** What was the scope of work for the different legal teams involved – both that of your in-house team as well as legal advisors?

**Anna Wawrzynczak:** The PFR has been mandated to implement both the SME and large enterprise programs in its own name and on the behalf of the State Treasury. This means that PFR is legally the sole subject of all contracts entered by it in connection with the implementation of the programs.

The PFR's main obligations include notifications to the European Commission, establishing a legal framework for cooperation between the government and PFR, raising external financing to fund the beneficiaries, distributing the financial support to the SME beneficiaries through online banking and to large corporates directly by our investment teams, handling complaints, and servicing the financial support until exit by

way of subsidy redemption, repayment of the financing or sale of equity instruments (depending on the program). Even though the SME financial shield was implemented three months ago, there's still a lot of operational work required from us until we exit from the programs.

As mentioned above, the Polish aid scheme to support the economy through the coronavirus outbreak, in line with other such European Union programs, needed notification to the European Commission. The legal negotiations, as well as all discussions with the government concerning the entrustment of the programs to the PFR and with all parties involved in the distribution of the subsidies to the SMEs were led by our internal team, with certain assistance from Allen & Overy. The SME program alone has 17 banks on board. Can you imagine negotiating the agreements with 17 banks in parallel? We also had to build the legal framework for the operation of the SME program, including terms & conditions and various agreements. The SME program was set up by our internal team supported by Allen & Overy.

The large enterprise program launched a month ago needed us to build the entire legal environment for the program operation, including templates agreements, internal procedures for liquidity loans, write-off loans, and equity instruments. This was done by our in-house team with the help of external advisors. Almost all procedures were prepared with the assistance of Linklaters. The program for large enterprises is a bit different since the entire operation of the program is done in-house. The investments through debt and equity are handled by our internal investments and legal teams, so the second part of the year will still be busy for the PFR. ■

# THE GENERAL COUNSEL THAT IS BUILDING ROBOTS FOR ARBITRATION AND BEYOND

In July, CEE Legal Matters reported that **Vasile Tiple**, the first in-house counsel and former General Counsel of **UiPath**, had left that role to become the company's **Head of Legal Automation** (see page 23). Tiple reports on the recent launch of the sArb - Simplified Arbitration Reference Facility software robot that was developed by UiPath for the Bucharest International Arbitration Court.

**CEEIHM:** UiPath recently announced the launch of the world's first fully automated institutional mediation process for the conclusion of arbitration agreements. Tell us a few words about what this solution means in practice and how it works.

**Vasile:** The robot – called “sArb” – facilitates a rules-based, predictable, and fully transparent agreement process. The process is simple: after the proposer lodges a unilateral, conditional offer for the conclusion of an arbitration agreement via an end-to-end automated process, the software robot extracts the relevant data of the parties involved and generates the Arbitration Agreement. Next, it gathers the parties' consent via DocuSign (or another e-signature tool), in a fully electronic, secure, and reliable manner. At the same time, it provides key info on the Bucharest International Arbitration Court and the sArb process to the counterparty by automatically sending out an e-mail. Should the counterparty agree to the proposal and sign within the stated timeline, the robot informs all parties via e-mail that the agreement has been reached and the process is marked as complete. If no

response is obtained within the specified deadline, no agreement ensues, and the process is voided. The introduction of the fully automated institutionalized mediation process will help businesses everywhere benefit from the elimination of the unnecessary frictions that can arise from the direct negotiation of amendments to ongoing contracts or that of a new agreement altogether.

**CEEIHM:** Why did you pick the BIAC to partner up for this project?

**Vasile:** Because they had the idea and the courage to follow up on the Legal Automation initiative which we started at the beginning of 2019. They saw our case-studies and ideas about how Robotic Process Automation can bring about innovation in the legal world and reached out to us with this proposal. Our legal automation initiative was designed to promote our own legal robots implemented as part of UiPath's legal department's work but also to create the right venue for legal automation discussions to occur with legal professionals from all legal industries and branches. We want to understand the struggle they have and see if we could bring our



own expertise to solve their issues, with automation. This is one of the best examples of an area which typically you wouldn't think is prone to automation, but thanks to BIAC and Adrian Iordache – a member of BIAC's Administrative Council and Project Leader – we proved the contrary. We hope that this successful example will help us maintain this discussion with the legal industry.

**CEEIHM:** What was the driving force for this new software robot? As the first GC implementing legal robots in your team's work, what was the value proposition you saw?

**Vasile:** I would say that the driving force was the promise it holds. If we can help and support creative legal professionals, irrespective of their function (contracting, sales, IP, litigation, arbitration, litigation, etc.), in automating repetitive matters and add more efficiency and security to a process, while, at the same time, showcasing to other legal professionals the benefits of automation, then we should totally be a part of this innovation effort and encourage it as much as we can.

I will use this opportunity to ask anyone who has an idea of how to improve his or her own processes to contact me and see if we can help. The value I saw in this proposition was similar to what I was thinking when we were looking at designing and using our first legal robot. As I look back at our own history, we were, from the beginning, an unusual legal department in an unusual company that was on the brink of unprecedented success, and we only needed the right legal framework and infrastructure to reach it.

Somehow I saw BIAC and Adrian's efforts to improve arbitration processes similar to my own efforts three and

a half years ago to identify the right mechanisms to enable and support the success of the company by creating an agile legal team with digital-based and standardized processes assisted in its work by legal robots and latest technologies (e-signatures, smart forms, project management tools, etc.). Therefore, the value is reflected by the creativity of a legal professional who is not afraid to constantly look for ways to work more efficiently, more quickly, and more accurately, which is what we also have in this case.

**CEEIHM:** The press release announcing sArb stated that the hope is that it will facilitate the adoption of arbitration by parties involved in ongoing agreements to solve potential disputes in the future. Why do you believe this is the case?

**Vasile:** Well, I think that any legal-related process which is automated can make a difference and improve the lives of both legal professionals and their customers. Arbitration is already a fast and secure way of settling disputes and this initiative to adopt the latest technologies in making the process of settling disputes even more smooth, fast, and simple is another action to ensure that objective.

The future in all industries lies with how well stakeholders can adjust their processes in relation to their customers to achieve simplicity, speed, and convenience, which is the key to success. Arbitration and litigation are no exceptions to this rule, and at least with one case in arbitration, we have made this possible.

**CEEIHM:** What's the next phase in this project now that it's out into the wild? How will you monitor and assess its success?

**Vasile:** We hope that it will be successful

not only for the BIAC but it will also be an example for others in the industry of how vision and creativity can improve traditional processes that were thought non-automatable or outside technology's reach. New processes implemented by the BIAC and other similar institutions will also be a key metric in assessing the success of this pilot.

**CEEIHM:** How does this project fit in your company's wider strategy? What can we expect next?

**Vasile:** As I said previously, our initial legal automation strategy, which we are taking to the next level now with the creation of a new Legal Automation team, was always to generate a venue for discussion about how we can automate legal. To this end, we promoted and made public our own case-studies, developed pro bono legal automation solutions, published a legal automation whitepaper, engaged in research, offered demos, and sponsored various legal tech events (such as the Global Legal Hackathon in New York and Bucharest) including by presenting our strategy at some of CEE Legal Matters' events for the region.

I can say that at a high level we now have developed our expertise in automating legal processes in corporations, public authorities, and – with this case – also with third party independent dispute resolution institutions. I would say that next item on our list is to expand these successful case-studies to all our customers and partners, identify new product-related features that can open more opportunities focused on the legal industry, and also to identify partners to automate judicial system-related processes where the amount of data processed in a manual manner or under an unstructured digital strategy is overwhelming. ■

# RAISING THE BAR: THE BUDAPEST BAR ASSOCIATION'S IN-HOUSE ARM

In 2019, the In-house Counsel's Section of the Budapest Bar Association was established to create a knowledge exchange platform for in-house lawyers. **Tunde Hegyi**, Corporate Senior Counsel at the MOL Group, who is also **President of the In-house Counsel's Section of the Budapest Bar Association**, describes the initiative.

**CEEIHM:** To start, tell us a little bit about the In-house Counsel's Section of the Budapest Bar Association initiative.

**Tunde:** The initiative started much before the actual setting up of the Section of the Bar Association. Let me mention that the Bar in Hungary has around 145 years of a tradition – it was not started just yesterday. However, until 2019 only attorneys-at-law could be members of the local Bar Associations. Well before in-house counsel joined the local Bar Associations, a strong need emerged within the ranks of in-house counsel to work closer to each other, to share knowledge and information, to set up and maintain a network, to learn better practices, and, last but not least, to have fun together.

I would call this the “inside” need. At the same time, we noticed that there was also an “outside” need created by the judiciary, the regulatory agencies, the legal society, and our clients – our employers – to somehow standardize in-house counsels' knowledge, practice, manner of handling matters, and appearances before the judiciary and governmental offices. Accordingly, based on Act LXXXVIII of 2017 on Advocate Activity, in-house counsel may, and in certain cases must, become the members of the local Bars.

The road to where we are today within the Budapest Bar Association was long and sometimes bumpy. We had to face lots of concerns from our own community, the Bar leadership, and the attorneys-at-law members as well. The actual work for integration started back in 2017 when a group of in-house counsels, mostly GCs, started discussions in order to identify the main topics and review the draft Act. Finally, at the end of 2018, when the general officer election of the Hungarian Bar Association and the local Bar Associations took place, the election of the leadership of the Budapest Bar Association's In-House Counsel's Section also took place, with the election of a 9-member Board. Not much later the leading officers of the Section had been elected: me as President, plus two Deputy Presidents and one Secretary. Further members of the Sections' Board are coming from prestigious private business organizations and the public sphere. It is important to mention that the In-House Counsel's Section consists of members from both spheres: private and public. The President of the In-House Counsel's Section is the Vice President of the Bar Association ex officio as well.

**CEEIHM:** What's the mission statement of the Section?

**Tunde:** Let me start what the mission of the Bar Association is in general, to put this question in context. Probably the most outstanding role of the Bar is – at least in my view – to organize, permit, and control the training of the trainees and legal clerks working within an employment relationship. The Bar Association is a public organization – a self-governing association. It fulfills the tasks assigned to it by law and its bylaws, it represents the interests of its members, and it manages the budget of the organization. And if I first emphasized the education mission of the Bar, I would say that in the mid-term our main mission is probably to organize and carry out the education of in-house counsel. According to the Advocacy Activity Act, each member of the Bar shall acquire a certain number of credit points via education organized by, or under the umbrella of, the local Bar, in order to maintain his or her license to practice. So, the law changed, and not only trainees and clerks need to pass exams, but now licensed members of the Bar Association must also pass exams periodically in order to keep their knowledge up-to-date for their license.

My personal view is that the education provided by the Bar Association is the differentiation between a Bar member and a non-Bar member in-house



Tunde Hegyi

counsel.

In summary, I would say that the education carried out by the Bar Association is some type of quality assurance towards the employer, the judiciary, and public organizations performing permit and control functions, as well as towards the legal community as a whole. In the long run, I firmly believe that the members of the Bar Association stand to gain an advantage in the labor market, because they will represent higher professional quality – both their hard and soft skills will be more developed and more efficient. Second, our short-term mission is to integrate the in-house counsel community into the Budapest Bar Association. This means maintain information flow, participate in the leadership of the Bar, represent the interest of on-house counsels internally and outside, organize and carry out educational programs, and provide opportunities for networking.

I think that we are doing fine on this front. A lot happened in 2019, and the integration is almost over. And all parties involved – from the President of the Budapest Bar Association to the Board, to my peer leaders – think that we have made very good progress, if

not surpassed expectations.

**CEEIHM:** What, specifically, is that progress in terms of integration, and what’s the next/subsequent objective?

**Tunde:** I think progress can best be described in contrast to initial expectations. Again, going back a bit to the initial stages of this initiative, we are talking about an organization that has over 8,000 attorneys. Many were afraid of the new initiative because we were talking about incorporating new members into the Bar that came from a completely different context – organizational culture-wise. We were talking about incorporating a lot of new members coming in, including from public bodies (military, police, etc), into an environment that nurtured a very open conversation platform. Indeed, members of the Bar tend to be quite open, adamantly outspoken even at times, and there was a concern that the whole tone of conversations going on within the forum would have to adapt to the new arrivals.

When I talk about the integration going well, my main point is that we managed to build that joint platform for a healthy collaboration between these two types of lawyers – and, maybe most impor-

tant, nurture mutual respect between the two and their set of values.

**CEEIHM:** That sounds like a very “soft” area to attempt to tackle. What do you think the key to success was?

**Tunde:** Proximity really. Putting people in the same room and gearing them towards a common goal will usually bring people together – it fixes the “narrative of the other” issue. We did proactively try to go beyond that by trying to engage both types of lawyers in projects like the Arsboni Day, where we spoke about both legal professions with those young individuals who could be interested in becoming internal or external counsel, but I think proximity and exposure to each other is the critical first step.

**CEEIHM:** Why did you decide to get involved?

**Tunde:** I have been a lawyer for a couple of decades. I started as a trainee of a President of a local Bar Association, who occasionally involved me in administrative tasks. I saw closely how much he worked pro bono, and how important what he did for the legal community was, as a whole, and I noticed the respect he earned wherever he got involved. It brought invaluable opportunities to meet legislators, leaders from peers across the legal professions, and similar organizations. I decided then that when I grew up I would do something similar. Additionally, I am driven by the simple rationale of giving back to the community and being a positive figure representing the profession.

In the past, I was a private attorney for 15+ years, and during those years I was the main contact of a prestigious international law firm for the Budapest Bar Association. I was always close to the

Bar as a result. Although I changed my career path in 2009 and became a Senior In-house Counsel of a giant American conglomerate, my work included managing the external lawyers working for my legal department, so I remained invested in the private practice world. Similarly, I took an active role in setting up the MOL Group's panel of external advisors. As such, even after moving in-house, I stayed close to the sector.

At the same time, I am a true believer in life-long learning and engaging in pro bono activity.

Between all of the above, I feel it was somehow coded in my CV to end up running for a position where I would manage the integration of these two worlds.

**CEEIHM:** How many members do you have at this point? How does one join the organization?

**Tunde:** Right now, the Budapest Bar Association has approximately 2,000 in-house counsel members, with two thirds coming from the private sphere and one third from the public sphere. The application for membership and communication happens through an electronic surface and within the public process. After the submission of the necessary paperwork, employment certificate, diploma, and paying the registry and membership fee, the membership is live. Most of our members join because membership is mandatory in their legal activity, but some come just purely out of interest and for the feeling of belonging.

**CEEIHM:** You mentioned the new credit requirements for lawyers in terms of lifelong learning. When did those come about and how do they affect in-house counsel?

**Tunde:** The credit requirement was introduced in 2020 and each member must run a five-year cycle, within which a minimum of 80 credit points must be collected. The accredited courses may be taken online or in the classroom – it depends on the choice of the member. Preselected videos are available on the portal of the Budapest Bar Association addressed to the in-house legal community. The topics are selected by the leadership of the In-House Counsel's Section of both the Budapest and the Hungarian Bar Associations. Most of the Bar leaders run trainings, and I myself have been the main editor of training materials and films and wrote a presentation related to Anti-Money Laundering tasks of the in-house counsel. To prepare the training material and videos was a huge effort, which took place towards the end of last year. In addition to the Board members, many senior lawyers cooperated in great spirit. Leading lawyers of big organizations who had never met before cooperated, devoting their free time to this effort. They have been willing to share their knowledge and best practices – from companies like OTP, MOL, Telekom, EON, and the City of Budapest, to mention just a few.

**CEEIHM:** What specific projects has the organization engaged in already and what's in the works?

**Tunde:** Last year was very busy. On top of organizing the mandatory trainings, we created certain control processes of the Bar Association, such as the disciplinary procedures and the reports related to anti-money laundering activities. In the fall we had a very well-received conference, in about 200 in-house counsel participated. We created our own procedural rules, cooperated via membership in the Bar Board in the renewal of the By-laws of the Budapest

Bar Association, and established a prize for outstanding in-house counsel work, which will be given for the first time in the General Assembly of the Budapest Bar Association in August, based on our suggestion. We also started an In-House Counsel Workshop series, where information and knowledge can be shared in a smaller, more focused practice group. We had the first practice group meeting this spring related to Corporate Law, focusing on the new Shareholders' Directive. I am very proud of this workshop, where internal and external lawyers could work together and openly speak about their practices, ideas, and concerns. What could be a better example of good networking than this? And finally, we have lots of fun together. After the nine-member leadership board got to know each other, we became a well-balanced body, and have monthly meetings in a good mood.

**CEEIHM:** Are you aware of other, similar organizations organized in other CEE jurisdictions? Do you try to cooperate in any way?

**Tunde:** We ran some research on this last year and realized that there are 14 similar organizations in Europe. At this initial phase, we focused on engaging with the big organizations such as the International Bar Association and the Union Internationale des Avocats. With the latter, we have been working to organize a conference in Hungary addressing interesting issues for in-house counsel with speakers from industry-leading business firms' from both European countries as well as Hungary. Although it was originally scheduled for this fall, due to the COVID-19 we had to postpone it to next spring. It is still a question of how we will continue the workshop series and whether we will be able to organize an annual face-to-face conference. ■

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