

### Sorainen Law Offices

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## EU NEWS

### Cartels: better conditions for leniency applicants

A cartel is a collusive arrangement between competing firms designed to limit or eliminate competition between them, with the ultimate goal of controlling prices and increasing profits of the participating companies.

The leniency programme encourages firms to provide the European Commission with inside information on cartels in return for a total or partial reduction of fines.

The Commission recently changed the rules regulating this programme and adopted a revised Notice on immunity from fines and reduction of fines in cartel cases (the Leniency Notice). Some of the most significant changes under the new Leniency Notice include:

- The Commission has implemented a procedure to protect corporate statements provided under the Leniency Notice from discovery in civil damages procedures. This ensures that applicants that cooperate with the Commission's investigation are not impaired in their position in civil proceedings, as compared to companies who do not cooperate.

- An application can be accepted on the basis of limited information. The applicant is then afforded additional time to perfect the information and evidence to qualify for immunity. It is very important to be the first to provide information to the Commission and this provision gives the applicant an opportunity to secure its place in a queue.

- The Commission will process personal data in conformity with its obligations under Regulation 45/2001 on the protection of individuals with regard to the processing of personal data by Community institutions and bodies and on the free movement of such data. This is an important confirmation as the applicant is required to provide the home addresses of all individuals involved in the cartel (the Commission has power to search homes of employees and directors of the companies concerned).

- The Leniency Notice lists types of information and evidence that applicants should submit to qualify for immunity. It

further clarifies that applicants are not required to produce information and evidence in their initial application, the collection of which would jeopardise a Commission inspection.

For cartel infringements, the largest fine imposed so far by the Commission on a single company was EUR 462 million. Companies that have participated in illegal cartels have limited opportunities to avoid or reduce fines, and the leniency programme offers such an opportunity.

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## ESTONIA

### BANKING & FINANCE

#### Administration of real estate and venture capital funds simplified

Amendments to the Investment Funds Act, in force as of 01.01.2007, simplify the foundation and administration of real estate and venture capital funds. The amendments reduce administration costs and make foundation and administration of such funds easier than ever.

To ensure liquidity of funds and protection of investors, the act provides six months as the minimum redemption term for units or shares. Compared to publicly traded shares, realization of the market price for real estate during a short period may be difficult to achieve.

To protect investors, the regulation for the investment objects of real estate funds was amended. At least 60% of the assets of a real estate fund must be invested in immovables or at least 80% in immovables and securities relating to immovables.

To simplify administration and reduce administration costs, a depositary is not required in the case of a common fund, except when the units of the fund are publicly offered. The role of a depositary in maintaining real estate and quoted

## Estonia

### Administration of real estate and venture capital funds simplified

## Latvia

### Major changes in tax regulatory framework

## Lithuania

### Compulsory acquisition of land provisions in detail

## Sorainen Law Offices

### Vilnius office assists PKN Orlen in taking over control of Mazeikiu nafta

securities relating to real estate was of no practical value and increased administration costs of funds.

A general meeting of unit-holders is required for a common fund only if the term of redemption of units or shares is one year or longer. The share capital of the management company of a real estate fund must be at least EUR 125,000.

The amendments also simplify foundation and administration of venture capital funds. Limitations on investment have been repealed, capital requirements have been reduced, and the requirements for internal regulations and internal audit rules of the management company have become simpler. Furthermore, the supervision fee of the venture capital fund has also been reduced.

Management companies must bring their activities and documents into conformity with the act by 01.07.2007. Considering recent amendments to the Income Tax Act levying bigger taxes on real estate investments in Estonia by non-residents, it is probable that real estate funds will become the primary means of investment.

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ordinary proceedings in the commercial register from 15 calendar days to five working days.

The amended act does not allow foreign persons to use the expedited procedure because their information cannot be checked automatically. Establishment of a company requires delivery of standard articles of association, payment of fees, and acting in person (i.e. companies cannot be established on the basis of a power of attorney). However, the plan is to expand facilities offered by the expedited procedure by finding ways of authenticating digital signatures of foreign persons to enable them to deliver documents to the commercial register digitally as well.

The amended act also allows exclusion of some areas of operation from company articles of association.

In light of these essential amendments to the Commercial Code and those that took effect on 01.01.2006, we recommend that our clients review their articles of association in terms of their lawfulness and feasibility.

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the case of the ordinary procedure and EEK 2,900 in the case of the expedited procedure. This means that the state fee for establishing a company with a large share capital may be up to a hundred times smaller than before.

State fees for transformation of companies have also decreased substantially – the state fee for transforming a company into a public or private limited company is now only EEK 400, which is 3.5 times less than before.

The former act did not regulate making of a notation concerning a commercial lease contract or lease contract in the land register and did not provide a clear basis for interpreting the transaction value. The new Act establishes fixed rates for making such notations. The state fee for making a notation on a lease contract without a fixed term is EEK 350, while on a contract for a fixed term the fee is EEK 80 for each year of the period of validity, but not more than EEK 800.

The full rates of state fees for land registry operations have been reduced substantially and operations with a high transaction value have become much cheaper in Estonia.

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## CORPORATE ADVISORY

### Establishment of companies now less time-consuming

The Estonian Parliament has amended the Commercial Code to allow for expedited review of applications for establishment of companies, amendments to information in the commercial register, and certain other entries in the register as of 01.01.2007.

The expedited procedure means that digitally signed and duly formalized documents and information may be delivered to the court via the Internet, without notarial involvement.

The amended act applies to the first entry in the register of private limited companies, sole proprietors, general partnerships, and limited partnerships as well as amendments to entries concerning sole proprietors, companies (including public limited companies and commercial associations) and their branches. The expedited procedure does not extend to more complex register operations (such as mergers, divisions, and transformations) or to operations where expedition is unnecessary (such as liquidation and deletion).

Under the expedited procedure, applications for registration are reviewed no later than the next working day from receipt of the application. The amended act also shortens the maximum term for

## COMMERCIAL CONTRACTS

### State fees reduced in Estonia

The amended State Fees Act entered into force on 01.01.2007. The new act has a clearer structure and reduces the rate of state fees by approximately 2.5 times. Further, the act grants several exemptions from state fees and establishes caps to the rates.

The state fee for entering a sole proprietor, general partnership, or limited partnership into the commercial register was reduced from EEK 500 to EEK 200. The new Act provides a uniform rate of EEK 2,200 in

## TAX LAW

### Changes in tax rates

The income tax rate for 2007 has been reduced to 22%. The Estonian Government has established EEK 3,600 as the minimum monthly wage and EEK 21.50 as the minimum hourly wage effective as of 01.01.2007. Unemployment insurance premium rates for 2007 remain the same as in 2006. The monthly rate for social tax payments in 2007 is EEK 2,000 instead of the former EEK 1,400.

|                                | 2006  |              | 2007  |              |
|--------------------------------|-------|--------------|-------|--------------|
|                                | Rate  | Amount (EEK) | Rate  | Amount (EEK) |
| <b>Employee</b>                |       |              |       |              |
| Gross wages                    |       | 10,000       |       | 10,000       |
| Tax-exempt minimum             | 2,000 |              | 2,000 |              |
| Income tax                     | 23%   | 1,780        | 22%   | 1,703        |
| Unemployment insurance         | 0,6%  | 60           | 0,6%  | 60           |
| Pension insurance              | 2%    | 200          | 2%    | 200          |
| Net wages                      |       | <b>7,960</b> |       | <b>8,037</b> |
| <b>Employer's costs</b>        |       |              |       |              |
| Unemployment insurance premium | 0,3%  | 30           | 0,3%  | 30           |
| Social tax                     | 33%   | 3,300        | 33%   | 3,300        |
| Total                          |       | 13,330       |       | 13,330       |

Tax rates and a sample wage calculation for 2006 and 2007

The table (on the previous page) presents tax rates and a sample wage calculation for 2006 and 2007 based on a monthly salary of EEK 10,000 (gross).

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### Tax treaty between Luxembourg and Estonia ratified

On 21.12.2006, Luxembourg ratified the first-time income and capital tax treaty and protocol between Luxembourg and Estonia, signed on 23.05.2006, published in Official Gazette No. 209 of 27.12.2006.

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## REAL ESTATE & CONSTRUCTION

### Revocation of a building permit is a discretionary decision of an administrative body which involves ensuring the individual's right to be heard

The Administrative Law Chamber of the Supreme Court of Estonia made an important decision regarding the regulation on revocation of building permits.

Subsection 28(1) of the Building Act sets out several bases for revoking a building permit. The Supreme Court held that despite the seemingly imperative formulation of the provision, revocation of a building permit is a discretionary decision that requires thorough consideration of both public and private interests as well as the legal and factual effects that follow such revocation.

Revocation of a building permit is an extreme sanction, which may be applied only if a dominant and obvious public interest exists and more lenient means for eliminating the violation or preventing its effects have been exhausted or are missing.

The administrative body must inform the addressee of a revocation procedure initiated against them as well as provide them with an opportunity to be heard. Failure to provide this opportunity is a serious infringement of administrative process, leading to invalidation of the administrative instrument regardless of the content value of the decision.

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## LATVIA

### TAX

#### Major changes in tax regulatory framework as of 01.01.2007

As is customary in Latvian tax practices, the first of January brings changes to the tax regulatory framework relating to almost all taxes collected in the country:

#### Taxes and Duties Act 1995

The latest amendments to the Taxes and Duties Act 1995 provide for improvements to the penal system. For the first occurrence of tax violations, the maximum penalty is 50% of taxes unpaid. However, the penalty may be reduced to 30% if unpaid tax amounts to 15% or less of the total tax payable. Previously in most cases taxpayers were exposed to 100% penalty. The amendments also introduce an offer to drop any complaints and disputes with the tax authorities by paying unpaid tax, including late payment interest, and only 15% penalty in 30 days from the decision of the tax audit. The law has also increased the threshold for cash transactions allowed, and has introduced several other novelties.

#### Value Added Tax

As of 01.01.2007 amendments to the VAT Act 1995 (adopted both in December and June 2006) inter alia introduce the reduced 5% rate being applicable to new objects, such as supply of electricity, gas, wood for domestic heating, hairdressing and simple repairs to apartments and residential houses. As of 2007 special registered waybills need not be used in the timber business. On 01.12.2006 new Government Regulation no. 933 Application Rules of the Value Added Tax Act also entered into force.

#### Electric Energy Tax

By adopting the Electric Energy Tax Act 2006 the Latvian Parliament has established a new tax that is applicable as of 01.01.2007. The new tax applies to providers of electricity, to end users, and to autonomous energy producers who exceed certain electricity production ceilings. The new tax is LVL 0.35 per megawatt-hour.

#### Natural Resources Tax

The Natural Resources Tax Act 2005 along with some supporting government regulations has been amended and provides numerous changes as of 01.01.2007. In particular the amendments relate to tax rates applicable for air pollution and environmentally hazardous goods.

#### Real Estate Tax

As already stated in the Real Estate Tax Act 1997, as of 01.01.2007 the tax base for buildings will be their cadastral value (as is already the case for land), not the book value as it was up to 2007. Additionally, constructions (in Latvian – būves) which do not qualify as buildings are no longer taxed.

#### Personal Income Tax

Amendments to the Personal Income Act 1993 also provide for rather extensive amendments to the current system to be effective as of 01.01.2007. For instance, the threshold has been increased from LVL 180 to LVL 300 for some tax-free insurance premium payments by employers for the benefit of employees. The law has also been amended with new objects being exempt from tax, such as income from EU (and EEA) state and municipal promissory notes, deposits in EEA banks, mortgage bonds, insurance indemnity from an insurer registered in the EU (or EEA) and dividends received by EU (or EEA) residents from Latvian companies.

#### Corporate Income Tax

Amendments to the Corporate Income Tax Act 1995 as of 01.01.2007 provide, for example, that if a public limited company pays dividends to a non-resident, then tax should be withheld by the holder of the securities' account. Notably, following ECJ case law, Latvian law also now allows cross-border transfer of losses within a group, provided these may not be used abroad. The amendments allow some of the provisions to apply for 2006.

#### Tax Treaties

The following tax treaties entered into force as of 01.01.2007: with Luxembourg, Azerbaijan, Serbia and Montenegro and Israel.

#### Excise Tax

As of 01.01.2007 excise tax rates have been increased for oil products, cigarettes and tobacco, which will increase up to 2009 according to a special schedule.

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## REAL ESTATE & CONSTRUCTION

### New information source on property encumbrances

On 23.12.2006 the Cabinet of Ministers Regulations on "Formation, Maintenance and Information Circulation of Protection Zone Database" took effect. Regulations stipulate that by 01.03.2008 the State Land Service is to establish a uniform database for registering protection zones and related encumbrances on real estate. The database will cover about 70% of total information on all encumbered territories in the state. These are provided for in the Protection Zone Law and marked in local municipal territorial planning.

Anyone will have the right to acquire data stored in this database, which would be especially useful for identifying encumbrances that may limit development planned by investors.

Unfortunately, the database will not store information on encumbered territories covered in other special laws such as the law "On Specially Protected Nature Reserves", the law "On Protection of Cultural Monuments", or the law "On Earth Subterranean Depths" and others. Therefore the information accumulated in the database will not be absolutely complete, while in contradiction to hopes, anyone will not be able to acquire comprehensive and topical information on all encumbrances regarding any particular land plot.

Thus, legal due diligence should carefully take this into account in real estate acquisitions, by obtaining information from the Land Book, municipalities, the State Land Service and other sources. Otherwise, a buyer may purchase a property of which the intrinsic value turns out to be much lower due to encumbrances discovered later.

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**No state duty for re-registration of property rights as a result of mergers**

The Senate recently adopted a landmark decision concerning re-registration of property rights in the Land Book as a result of company reorganisation (mergers). In case of company mergers it may become necessary to re-register in the Land Book any existing property rights of the target company in the name of the acquiring company. Previously the practice in this respect was diverse. Some Land Book departments required payment of state duty calculated on the basis of the cadastral value of the real estate property. Others considered that the amount of state duty should be derived from the alienation value of the real estate property as determined during the merger process. Yet other Land Book departments did not require payment of any state duty at all. The Supreme Court, being the first instance court hearing appeals against decisions of Land Book departments, passed several rulings in September 2006, according to which the amount of state duty in these cases should be calculated from the higher of either the cadastral value, or the alienation value.

On 22 November 2006 the Senate brought to an end these inconsistencies, and ruled that no state duty should be paid if re-registration of property rights was requested as a result of a merger (Case No. SKC-869).

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**BANKING AND FINANCE**

**Unfair contract terms for consumers**

In March 2006 the Senate of the Supreme Court of Latvia adopted a final judgment in case No. SKA-59 concerning an exclusive arbitration clause in a current account agreement concluded between a private individual and a Latvian bank. The judgment confirmed that an exclusive arbitration clause in a contract with a consumer would be considered unfair and hence void, unless the counterparty could prove that the clause had been negotiated and agreed with the consumer. Importantly, the court emphasized that signing a preformulated standard contract itself would not evidence that each specific clause had been negotiated.

This judgment raises crucial questions not only for arbitration clauses, but for consumer contracts in general – what would such negotiation and mutual agreement include, and how can a seller or supplier subsequently prove both negotiation and agreement? In practice, many sellers and suppliers customarily provide both arbitration and regular courts as means for dispute resolution in the relevant contractual provisions, albeit at the choice of the claimant. However, this was also condemned as an unfair contract term in a recent court judgment still pending appeal.

As a general conclusion, sellers and suppliers who enter into contracts with consumers should carefully examine their standard contract terms for provisions that might risk being held unfair and void under consumer protection laws, and should adjust these accordingly.

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**CORPORATE ADVISORY**

**Adoption of law regulating establishment of European Cooperative Society in Latvia**

On 26.10.2006 the Parliament adopted the Law on European Cooperative Society (SCE) (in force since 23.11.2006). The law aims to regulate the order of establishing SCE and its terms of operation, if the SCE is registered in Latvia, or if a Latvian cooperative or commercial company, or a private individual permanently residing in Latvia are directly involved in establishing a SCE.

The principal object of SCE is to satisfy its members' needs or develop their economic and social activities, in particular by agreements with them to supply goods or services or to execute work of the kind that the SCE carries out, or commissions.

If a SCE is established by merger or transformation of cooperative societies, the Commercial Law rules governing

mergers or transformations apply. (Subscribed share capital of SCE is 30 000 EUR, also given in Latvian lats).

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**LITHUANIA**

**REAL ESTATE AND CONSTRUCTION**

**Compulsory acquisition of land provisions set in detail**

On 14 December 2006 the Seimas of the Republic of Lithuania adopted a Law Amending and Supplementing Articles 6, 29, 45, 46 and 47 of the Law on Land to specify the procedure for compulsory acquisition of private land.

Under Article 23 of the Constitution, privately owned property is immune and may be compulsorily acquired only in the manner prescribed by law and for fair compensation. The Law Amending and Supplementing the Law on Land details the requirements for compulsory acquisition of land plots from private owners. These are: the land is necessary to ensure development of social infrastructure, public recreation and relaxation, cemeteries, and construction of objects necessary for their maintenance, to implement important state economic projects, etc. In addition, the law now provides that in every case compulsory acquisition of land must be substantiated by proof that a specific public need exists and that this need cannot be met without compulsorily acquiring a specific land plot.

The amendments to the law are also intended to prevent abuse by owners of private land plots subject to compulsory acquisition, in particular inflating prices of their land plots and aggravating the process. The amendments prohibit land owners from reorganising (dividing, separating, joining, amalgamating) a land plot subject to notice of compulsory acquisition.

The new rules also set that if the owner's assessment of the land plot value and damage is 20% higher than the amount calculated by the institution concerned, then the owner is paid the latter amount, with compensation above that amount (the balance) placed on deposit with a notary, bank or other credit institution. The land owner may use the balance only after three months from receiving the compulsory acquisition notice, provided the institution interested in compulsory acquisition does not apply to the court to settle the amount of compensation.

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## COMMERCIAL CONTRACTS

### Amended rules for permission to use the name Lithuania in company name

On 27.12.2006 the Lithuanian Government amended the Resolution on Approval of Rules for Granting Permission to Use the Name of Lithuania in the Name of a Legal Entity, Subsidiary or Representative Office [...].

Under one main amendment, legal entities will not be allowed to use the name Lithuania in their names in any other language than Lithuanian. Further, where permission to use the name Lithuania in the name of a foreign entity's subsidiary or representative office is granted based on the latter's identification, the commission for granting permission to use the name Lithuania assesses whether the foreign legal entity is well-known and complies with identification criteria.

The amendments further establish more detailed and clearer requirements and documents that must be submitted by a legal entity that applies to use the name Lithuania in its name.

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### Municipalities authorized to limit hours for sales of alcohol

On 09.11.2006 the Lithuanian Seimas adopted the Law on Amending and Supplementing Articles 18 and 34 of the Law on Alcohol Control.

In order to implement the main aim of the currently effective Law on Alcohol Control "to decrease general consumption of alcohol, its availability, particularly for minors, alcohol abuse, its damage to public health and the economy", it was decided to limit availability of alcoholic drinks. In order to implement this aim, the amendments enable municipal councils to limit times for sales of alcoholic drinks. In applying limitations, municipal councils should take into consideration the sitting of alcohol outlets, opinions of residents, associations, communities or their representatives, public organisations or other institutions, and proposals from police headquarters.

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## NEWS IN SORAINEN LAW OFFICES

### Recent deals

#### Largest M&A deals in the Baltics

Based on a Survey of M&A Market Trends in the Baltics published on 16 November by SEB Vilfima, the largest M&A transaction in 2006 to date in Estonia is Iberdrola's acquisition of Raisner and in Lithuania - Citycon's acquisition of Rimvesta. Sorainen Law Offices advised the buyers in both transactions.

#### PKN ORLEN S.A. used Sorainen Law Offices as their legal advisers in taking over control of Mazeikiu nafta

In December 2006 the Polish oil concern PKN ORLEN S.A. acquired Mazeikiu nafta AB, the largest oil concern in the Baltics, for a total of USD 2.34 billion. Mazeikiu nafta is the largest company in Lithuania in terms of revenue and profits. After successful acquisition PKN ORLEN S.A. secured a leading position in terms of oil processing capacity in Central and Eastern Europe. PKN ORLEN S.A. was advised in taking over control of Mazeikiu nafta by the Vilnius office team consisting of partner Renata Berzanskiene, lawyers Algirdas Peksys, Tomas Davidonis, Mantas Petkevicius and others.

#### Two private equity investments in IT sector

Sorainen Law Offices has recently advised two private equity investments in the Estonian IT sector. "These transactions are perfect examples of two developments. Firstly, private equity investments are on the rise in the Baltic countries as they have been for some time already in neighbouring Nordic markets. Secondly, the internationally praised Estonian IT companies are becoming strong enough to expand to other European countries," commented Toomas Prangli, head of the Sorainen Law Offices M&A team.

Tallinn office advised MarkIT, the largest e-purchasing system for IT goods in the Baltics, in its share issue to Ambient Sound Investment (ASI), the private equity group established by the four founding engineers of Skype. ASI invested 2 MEUR in MarkIT with the aim of developing its e-purchasing system and expanding to five new CEE

markets. The placement was advised by partner Toomas Prangli and associate Stefano Grace. Tallinn office also assisted Martinson Trigon Venture Partners, the first Baltic private equity partnership focusing exclusively on the media, technology and telecom (TMT) sectors, in its investment in Rate Solutions OÜ, the developer of software for social network websites. Rate Solutions already operates such websites in Russia, Latvia and Lithuania and intends to expand its activities to other countries. The transaction was advised by Toomas Prangli, Paul Kunnap and Kai Kaljaste.

#### Corporate restructuring of The Salvation Army

Tallinn office provided full scope legal advice for the corporate restructuring in Estonia, including advice on corporate governance, to the Salvation Army who operates in over a hundred countries. The transaction was advised by senior associate Risto Agur.

#### Beesting's exit from its logistics unit

Tallinn office advised Beesting, the information technology wholesale and retail trader operating in the Baltics, Finland and Russia, in its divestment from its logistics unit Beesting Logistic in Estonia. The logistics business was sold to HRX, the international cargo transport group. The deal was part of a cross-border transaction, which included disposal of a majority stake in Beesting's Finnish transport unit. The Estonian part of the transaction was advised by senior associate Risto Agur.

#### Sale of multifunctional hall "Arena Riga"

Riga office assisted SIA Merks in its sale of the "Arena Riga" multifunctional hall for 17.6 MEUR. The "Arena Riga" sport and entertainment complex is the largest in Riga. In 2006, it hosted almost 150 events involving more than half a million visitors.

#### Advising on acquisition of two logistics centres in Lithuania

Vilnius office, led by partners Tomas Milasauskas and Kestutis Adamonis, advised international real estate investors Genesta Property Nordic and Heitman on acquisition of two logistics centres. Genesta Property Nordic invested in 5.6 ha Kaunas Terminal developed by YIT Kausta and located within the Kaunas Free Economic Zone, while Heitman

acquired Dobrovoile, a modern logistics terminal with an area of over 15,000 m<sup>2</sup> located near Vilnius.

#### Advising Cramo on acquisition of UAB Aukstumines sistemas to achieve leading position in the Baltics

UAB Cramo, a subsidiary of Cramo Oyj, acquired UAB Aukstumines sistemas which is among the largest access platform rental companies in Lithuania. Cramo Oyj is one of the leading European machinery rental companies and operates in 11 countries. Following this acquisition, Cramo achieved a leading position in the equipment rental services market in Lithuania and the Baltics. The client was advised by partner Laimonas Skibarka and senior associates Agne Jonaityte and Raminta Karlonaite.

#### Advising HSH Nordbank in issuing EUR 38.5 million loan

Vilnius office advised HSH Nordbank AG (Copenhagen Branch) on Lithuanian law issues related to a 38.5 MEUR syndicated loan to Lithuanian bank AB Ukio bankas, where HSH Nordbank AG acted as one of the mandated lead arrangers and agent for the facility. HSH Nordbank is a leading provider of comprehensive financial services in the Nordic Area and the Baltic States in this project.

### ● Employees

#### New partner for Sorainen Law Offices

Janis Taukacs, Attorney-at-Law with the Riga office has become a partner of Sorainen Law Offices. Janis joined the firm in April 2004 and is head of the firm's tax team in the Baltic States. He also specialises in corporate law. Previously for seven years Janis was

working for KPMG Latvia where he was dealing inter alia with tax advice and tax dispute resolution, customs law and corporate law. He has been involved in many large-scale projects, and counts over 200 local and international businesses among his tax and legal clients.

#### Tomas Kontautas - doctor of Social Sciences (law)

On 19 December at a public session of Vilnius University Law Science Council, Tomas Kontautas, senior associate at Vilnius office, defended his doctoral thesis *Lithuanian Insurance Contract Law: Theoretical and Practical Aspects*, and the Council decided to award him the degree of Doctor (Ph.d.) of Social Sciences (law).

Ms. **Kris Tammistu** and Ms. **Marika Oksaar** joined Tallinn office as associates. Kris previously worked with a notary's office as a lawyer. Her key specialisations are corporate and property law. Kris graduated from Tartu University Faculty of Law and speaks Estonian and English. Marika previously worked with Seesam Rahvusvaheline Kindlustuse AS as lawyer. Her fields of specialisation are insurance law, litigation and arbitration. Marika graduated from Tartu University Faculty of Law and speaks Estonian and English.

Ms. **Agne Jonaityte** and Ms. **Ieva Rasimaviciute** joined Vilnius office as senior associate and associate respectively. Agne specialises in finance and securities, M&A and arbitration. She holds a Master's Degree in Law from Vilnius University and LL.M. degree in banking and finance law from London University. During 2002-2006 Agne worked at Law Firm Bernotas & Dominas Glimstedt. Ieva was awarded a Master's degree in Law by Vilnius University. For

the last five years Ieva has worked as a lawyer with a major Lithuanian insurance company and Lithuanian National Opera and Ballet Theatre. Her practice areas are company law, litigation and arbitration.

### ● Seminars

#### CALL FOR PAPERS for the pan-Baltic conference "Arbitration in the Baltics. Contemporary Issues"

Sorainen Law Offices in association with the Riga Graduate School of Law invites interested parties to submit their papers to be drafted around the conference topic. Deadline for proposals: 18 March 2007. The conference itself will take place at the Riga Graduate School of Law on 1 June 2007. More detailed information on the conference and paper submission requirements can be found on the following link: <http://flipbook.rgsl.edu.lv> or by contacting Ms Galina Zukova (phone: +371 7039358 or e-mail: [arbitration2007@rgsl.edu.lv](mailto:arbitration2007@rgsl.edu.lv)).

### ● Other

#### Record months for our Vilnius office

The last quarter of 2006 was outstandingly successful for the Vilnius office. In November, Vilnius office broke the lifetime record of turnover among the firm's offices and even increased it further in December. In the last quarter of 2006 Vilnius office assisted its clients in more than 10 major M&A, real estate and financing transactions (some of which are disclosed in this issue of Baltic Legal Update), including both of the two largest ongoing M&A and real estate transactions in Lithuania and the Baltics. The fact that Sorainen Law Offices were joined by a number of new professionals at the end of 2006 also attributed to the impressive growth of the office.

Sorainen Law Offices in cooperation with RMS Forum invites you to the 3rd International Conference

### "Mergers and Acquisitions in the Baltic States: Modern Tendencies and Development Forecast",

to take place on **16 February 2007**  
at the Radisson SAS Daugava Hotel in Riga, Latvia.

For more detailed information please see [www.rmsforum.lv](http://www.rmsforum.lv)  
or contact Ms Gita Rivdike (tel.: +371 7365000  
or e-mail: [gita.rivdike@sorainen.lv](mailto:gita.rivdike@sorainen.lv)).