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At this festive time all of us at Sorainen Law Offices send seasonal greetings to our clients and friends and we wish everyone a Very Merry Christmas and a Healthy, Happy and Prosperous New Year.

EUROPEAN UNION

Council adopts Directive on Cross-Border Mergers

On 20.09.2005 the Council of the European Union adopted a Directive on cross-border mergers of limited liability companies ("the Directive"). Member states have a period of two years to adapt national laws to comply with the Directive.

The Directive allows a company of one member state to cross-border merge with a company of another member state. In most member states, due to differences in national laws, this was previously very difficult and expensive, or impossible.

Same as with respect to use of rules applicable to domestic mergers, it is unlikely that cross-border mergers as understood under the Directive will be much used in external M&A practice. However, the opportunities offered by the Directive can be very useful for intra-group restructuring, reducing difficulties and costs of such operations both at legislative and administrative levels.

The Directive applies to mergers of limited liability companies formed in accordance with the law of a member state and having their registered office, central administration, or principal place of business within the Community, provided at least two of them are governed by the laws of different member states. Member states may apply certain rules that apply to domestic mergers to cross-border mergers in a way that takes into account the cross-border nature of this kind of merger.

The Directive establishes the minimum content of the common draft terms of cross-border mergers for each of the companies concerned in a cross-border merger, while these terms must be approved by the general meetings of each of those companies.

Under the Directive, monitoring the completion and legality of the decision-making process in each merging company must be carried out by the national authority having jurisdiction over each of those companies. However, monitoring of the completion and legality of a cross-border merger must be carried out by the national authority having jurisdiction over the company resulting from the cross-border merger.

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New Regulation on enforcement of judgments in the European Union

21.10.2005, Regulation (EC) No. 805/2004 of 21.04.2004 creating a European Enforcement Order for uncontested claims ("the EEO Regulation") entered into force. (According to its Article 32, the EEO Regulation applies from 21.10.2005, with the exception of Articles 30-32, which applies from 21.01.2005).

The new Regulation aims to abolish the *exequatur* (a traditional declaration of enforceability of a judgment) for a restricted number of cases, namely for enforcement orders relating to uncontested claims. This Regulation replaces most of the European Enforcement Convention (Brussels, 27.09.1968) and simplifies the procedure for obtaining an enforcement order. This has so far been regulated by Regulation (EC) No. 44/2001 of 22.12.2000 on jurisdiction, recognition and enforcement of judgments in civil and commercial matters (known as Brussels I).

According to Brussels I, a creditor had to go through three stages before reaching a debtor's property. The creditor had:

- To obtain judgment for collection of debt from the creditor's national court.
- To obtain a certificate from the domestic court containing data on the judgment.

Estonia

Major amendments to the Commercial Code adopted

Latvia

Substantial amendments to the Enterprise Income Tax Law and several other taxation laws

Lithuania

New order for sale and lease of state-owned land plots, attributed to privatization objects

Sorainen Law Offices

Advice on acquisition of Skype by eBay

- To go to a court of the debtor's country to explain the judgment and seek its recognition or to apply for a declaration of enforceability.

Now, according to the EEO Regulation, only two stages need be fulfilled:

- Judgment delivered by the creditor's national court that can be certified as a European Enforcement Order.
- Certification of the European Enforcement Order.

Although both regulations exist side by side so that a creditor can choose between certification as a new European Enforcement Order or *exequatur*, the EEO Regulation can definitely be described as a more creditor-friendly instrument in certain categories of cases.

To illustrate, under Brussels I a creditor has to obtain the initial judgment and then go to a court in any of the 23 Member States – i.e., where the debtor is domiciled. That court will then listen to arguments from the debtor, using a checklist to evaluate issues of jurisdiction, service, and irreconcilability. At the end of the day, it may declare the judgment impossible to enforce because of public policy. Besides, the decision on enforceability can be appealed. Now the EEO Regulation provides for use of only one checklist - as used by the same court that delivered the judgment.

Such procedure aims to reduce the uncertainty of creditors in different legal systems and is also time- and cost- effective.

The Court may issue a certification for the European Enforcement Order on a judgment, court settlement, or authentic instrument that relates to an uncontested claim and where service of process has been appropriate.

Within the meaning of the EEO Regulation, a claim is uncontested if:

- The debtor has never objected to the claim, or agreed to it by admission or by means of settlement approved by a court, or agreed to it in an authentic instrument.
- The debtor has not appeared or been represented at a court hearing regarding that claim – i.e., judgment by default.

Therefore, it is strongly recommended that debtors should not use the "wait and see" method. That is, a debtor who is aware of proceedings should go to the court and contest the claim since there will not be a second chance for contesting the claim or judgment.

As to service of process, the EEO Regulation basically provides for two methods of service. The first is personal service on the debtor. This imparts 100% certainty. The second involves other methods offering a high degree of likelihood. These include, e.g., personal service on persons who are living in the same household as the debtor or who are employed there, deposit of documents in the debtor's mailbox or even

electronic means attested by an auto-matic confirmation of delivery if the debtor has accepted this method in advance.

To conclude, it has to be said that it is highly doubtful whether application of the EEO Regulation will be unproblematic. On the other hand, this instrument will certainly eliminate many obstacles that presently encumber the good functioning of cross-border civil proceedings in the European Union.

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ESTONIA

ADMINISTRATIVE LAW

Parliament amends the laws governing notaries' offices

Following amendments adopted on 12.10.2005, notarial fees for contracts of purchase and sale of immovables will decrease by about one third and fees for notarial verification of preliminary contracts by half.

These amendments will also enable the so-called "one office principle" to apply. This means that an individual can interact with the state via one single office.

The most progressive amendment is authentication of digital signatures or an extract from a document by a digital notarial certificate – the notary compiles an electronic document and affixes a digital signature. This will speed up notaries' work and thereby reduce waiting periods. Starting from 01.01.2006, digitally signed applications may also be submitted to registry departments and land registry departments of courts.

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COMMERCIAL LAW

Major amendments to the Commercial Code

On 12.10.2005, the Parliament adopted major amendments to the Commercial Code, entering into force on 01.01.2006.

The amendments reduce bureaucracy in interacting with the commercial register, eliminating some formalities such as the requirement to submit notarized signature samples. At the same time, when members of the management board are replaced, a new management board member will also be obliged to sign the notarized application for entering their position in the commercial register. Previously, a notarized signature sample submitted separately from the application was sufficient.

From now on, for **transferring shares** a company may stipulate in its articles of association that a share or part of a share may be transferred to a third party, subject to at least two-thirds of shareholders voting in favour. This would ensure that other shareholders would have no rights of pre-emption with regard to the sale of this share. In future at the request of a public limited company the pre-emptive right of its shareholders can also be registered in the Estonian Central Register of Securities. Similar to transfers, **pledging of shares** also has to be recorded in the list of shareholders and the commercial register also has to be notified. The current problem is that a pledge has not always been recorded in the list of shareholders, but still remains in force when shares are sold, regardless of their new owner being aware of the pledge or not. Notaries will be obliged to report a pledge as well as transfer to the commercial register, using a form provided by the Ministry of Justice. Filing the respective agreement with the commercial register will no longer be mandatory.

Another major amendment enables a company to unilaterally **reduce the remuneration** or other benefits to a member of its management or supervisory board. This applies in the event of a major deterioration in the economic activity of the company and if continued payment of remuneration or benefits would operate unfairly towards the company. Additionally, the shareholders, general meeting or supervisory board will be obliged to ensure that the procedure for remunerating the management board or supervisory board members and the total sum payable to them would reasonably match their tasks and the economic status of the company.

The amendments provide an explicit obligation for management board or supervisory board members **to act with the due business diligence**. In case a dispute occurs, management board or supervisory board members will have to prove that they exercised such diligence, to avoid liability. Additionally, the management board will be obliged to notify the supervisory board of any relevant circumstances that affect companies related to a public limited company and that may considerably impact the public limited company.

In case of a company's **insolvency, which is not temporary**, the management board has to file a petition for bankruptcy promptly, but no later than within three weeks from the occurrence of insolvency. If the management board makes any payments in breach of the due business diligence after the occurrence of insolvency, then they will be liable to compensate these payments to the company.

New additions to the Code also include many more provisions based on court practice, such as the new **right of a management board member to resign** from the management board for good cause by notifying their appointing

institution, and if this is impossible, by applying to the keeper of the commercial register. Additionally, **dividends may now be paid several times a year** based on approved annual reports. A novelty is allowing public limited companies to establish in their articles of association that after the end of a business year and prior to approving the annual report the management board, with the consent of the supervisory board, is entitled to make **prepayments to shareholders** against expected profit, up to half of the amount distributable between the shareholders.

The **procedure for calling shareholders' meetings** has been clarified, in requiring the management board also to send invitations to addresses other than those in the list of shareholders or in the register of shares if the company is or should be aware that a shareholder resides at a different address. Public limited companies will no longer be required to send invitations via registered mail and instead, a simple letter will be sufficient. Regarding the agenda of general meetings, the supervisory board has to submit its proposal, to form part of the announcement for calling the general meeting.

Also, the amendments provide that the **residence of at least one of the directors of the branch** must be in Estonia, in some other EEA member state or in Switzerland.

A number of other provisions were established or amended. For instance, sworn advocates and firms of advocates can now perform **special audits** of the management or financial situation, in addition to auditors. At the request of a shareholder, the auditor who audited the annual report must attend the meeting approving the annual report, to explain the report. Additionally, liquidation and merger procedures were clarified.

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Expiry of due date for verifying the correctness of entries in the register of economic activities

On 01.11.2005, the entries of companies who had not verified in time the correctness of their data in the register of economic activities were deleted from the register. Most business entities must record their details in the register. For example, this applies to companies engaged in retail, wholesale, catering, and services. In the March issue of the Baltic Legal Update, we provided a detailed overview regarding verification of entries. Please check if your company has been registered in the register of economic activities. If the entries have been deleted, then the company no longer has the right to operate in the area of activity that requires registration. Registration details can be checked on the website of the register of economic activities <http://mtr.mkm.ee/>.

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EMPLOYMENT LAW

Employer entitled to change the basis for terminating employment contract

In Estonia, employers wishing to terminate employment contracts generally have to strictly follow all formalities and carefully plan any termination. With that in mind, we draw our readers' attention to a recent ruling of the Supreme Court approving an employer's right to change the grounds for termination of employment after serving an employee with notice of termination.

In its judgment of 19.09.2005, the Supreme Court explained the position where an employer has served an employee with notice to terminate employment on the grounds of redundancy and subsequently, during the period between giving notice and termination, new grounds have arisen for terminating the employment. In this case, the employer may cancel its previous decision and terminate the employment on other grounds. An example might be replacing termination for redundancy with termination for breach of duties of employment.

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PROPERTY LAW

Register sections will be given standardized national registration numbers

From 01.01.2006, the land register will be maintained electronically. By then, all data entered previously have to be recorded in an electronic environment and register sections will be given unique national registration numbers. Standardized numeration will be achieved by adding a two-digit identification number to the register sections of each registry department.

A year ago, the electronic land register still contained errors (e.g. some mortgages had not been entered). So, we **recommend** all owners of immovable property rights (ownership rights, mortgages, servitudes) to check as soon as possible whether their rights have been properly recorded in the electronic land register.

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Selection of relevant acts and amendments adopted 01.09.2005-31.10.2005

- Employment Services and Subsidies Act (in force as of 01.01.2006)
- Amendments to the Product Safety Act (in force as of 01.01.2006)

LATVIA

INSURANCE LAW

Amendments to the Law "On Private Pension Funds" adopted

The Latvian Parliament has adopted amendments to the Law "On Private Pension Funds". The amendments relate to EU-based companies and prescribe that EU-based companies and prescribe that EU-based banks and life assurance companies are entitled to be founders (or shareholders) of open pension funds as well. Up to now, banks could be founders of open pension funds only if they had the right to attract deposits of individuals in Latvia and life assurance companies registered in Latvia.

Additionally, the amendments prescribe that EU-based companies that are entitled to offer services in Latvia may manage funds of pension funds.

These amendments implement the requirements of EU directives. The amendments are expected to come into force by the end of this year.

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TAX LAW

Latvia approves 2006 budget and amends Enterprise Income Tax Law

The Latvian government recently approved the 2006 state budget including substantial amendments to the Enterprise Income Tax Law. Other amendments were introduced to several other taxation laws, including the Personal Income Tax Law, the Immovable Property Tax Law and the Value Added Tax Law. The most important provisions of the enterprise income tax law are described below.

Tax incentives ended

Based on an assessment by a special working group, the existing tax incentive for large investment projects and the tax relief for enterprises employing convicted persons were recognised as inefficient and therefore will be abolished as of 01.01.2006.

However, the large investment incentive is applicable to projects approved by the Council of Ministers on or before 31.12.2005. Under the large investment incentive, Latvian resident companies implementing "large investment projects" were allowed to reduce their enterprise income tax payable in an amount equal to 40% of the value of the investment. The unused amount of the incentive could be set off against tax payable in the next 10 subsequent taxation periods. An investment project is recognised as large if the following criteria are met:

- Total investment is at least LVL 10 million (approximately EUR 14 million).
- Investment is made in fixed assets (buildings, constructions, technologies, equipment) and the assets are used in the taxpayer's business activity.

- The project implementation period is no longer than three calendar years.

Special depreciation for new technology equipment

The value for tax depreciation purposes for some fixed assets was increased for taxation periods beginning on or after 01.01.2006. The new incentive is applicable for calculating tax depreciation on new technology equipment, if the equipment is used in the taxpayer's business activity. Under the new provisions, the acquisition or creation value of new technology equipment (fixed assets) in the taxation period of its acquisition or creation will be increased by coefficients going from 1.1 to 1.5 for new technology equipment (fixed assets) acquired or created during the taxation periods beginning in 2006, 2007, 2008, 2009 and 2010 respectively.

Under the new system, depreciation will be calculated separately for each newly-acquired or newly created fixed asset recognised as new technology equipment. If the equipment to which the new depreciation system applies is disposed of during the five taxation periods after its acquisition or creation, then the taxpayer's taxable income will be adjusted accordingly. That is, it will be increased for the tax depreciation amount of the asset that was deducted in taxation periods before its disposal, and decreased for the amount of depreciation of the asset shown in the taxpayer's annual report.

New technology equipment means new working machines for performance of some sequential technological operations that result in the characteristics of the working object (material or semi-finished product) being changed, creating added value in the object. New technology equipment also includes substantial auxiliary appliances and auxiliary tools by which a working machine is upgraded or supplemented for performing these operations.

Transfer of registered office

The law was amended to incorporate the requirements of Council Directive 2005/19/EC amending Council Directive 90/434/EEC on transfers of registered offices of European companies and European cooperative societies.

Adjustment of values in related-party transactions

The existing provisions on the adjustment of values of goods and services in transactions between related parties have been extended.

The new provisions extend the obligation to adjust the values of goods and services to transactions between related enterprises forming the same group of enterprises. The definition of a group of enterprises was introduced in 1997 in connection with implementation of the provisions on transfer of losses. A group of enterprises consists of a "principal company" and its subsidiaries.

Contributions to private pension funds

The provisions on the calculation of a taxpayer's taxable income have been amended, allowing a taxpayer to deduct from taxable income any contributions made on behalf of its employees to private pension funds established in other EU Member States. Under the previous provisions, only contributions to private pension funds established under Latvian law were deductible.

More beneficial order for writing off lost debts

The provisions introduce a new option to write off lost debts. The law was changed to allow a taxpayer to write off lost debts in situations when debt recovery by way of litigation is impossible because of feasibility if the taxpayer has taken all steps for debt recovery and the total amount of lost debt to be written off does not exceed 0.2% of the taxpayer's annual net turnover.

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Regulations on the minimum monthly salary and minimum hourly wage rates

On 25.10.2005, the Cabinet of Ministers adopted regulation No. 790 "On the minimum monthly salary and minimum hourly wage rates". The regulations will enter into force on 01.01.2006 and will replace the previous regulation No. 535 of the same name adopted on 23.09.2003.

According to the regulations, the former minimum monthly salary and minimum hourly wage rates are increased. Respectively, as of 01.01.2006, the minimum monthly salary within the framework of normal working hours will be LVL 90 and the minimum hourly wage rates will be LVL 0.535. Similarly, minimum hourly wage rates are increased for adolescents, and employees subject to special risk.

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Regulations on mandatory Latvian accounting standards to be applied

On 18.10.2005, the Cabinet of Ministers adopted regulation No. 776 "On mandatory Latvian accounting standards to be applied". The regulations replace the hitherto effective regulation No. 728 "On mandatory Latvian accounting standards to be applied and on the procedure of preparation of cash flow statement and report on changes in own capital" adopted on 24.08.2004.

In comparison to the previous procedure, the new regulations determine that *inter alia* Latvian accounting standard No. 5 "Long Term Contracts" should be applied to financial statements and consolidated financial statements.

The new accounting standard determines and explains the calculation and presentation of income and expenses related to long-term contracts in financial statements of work contractors.

Latvian accounting standards have been developed and adopted by the Accounting Council, after confirming them to the Minister of Finance, and they are published in the official gazette "Latvijas Vēstnesis".

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CONSUMER RIGHTS

Amendments to the Consumer Rights Protection Law

On 27.10.2005 the Latvian parliament (*Saeima*) adopted amendments to the Consumer Rights Protection Law at its final reading. The law provides for several significant changes in existing legal regulation and will enter into force on 25.11.2005.

The amendments stipulate that from now on legal persons will not be considered consumers under the Consumer Rights Protection Law. Notwithstanding, a new provision has been introduced providing that several sections of the law will apply to legal relations existing between producer, seller, or service provider and a person who expresses the wish to acquire, acquires, or could acquire a good - or use a service - for a purpose that is not connected to the economic or professional activity of that person.

Under the amendments, the Consumer Rights Protection Law increases responsibility of credit institutions over electronic payment cards issued and providing for greater protection of consumers where an electronic payment card has been unlawfully misused. Although similar regulation was currently provided in other laws, the amendments clearly state that a credit institution is liable for any misuse of a consumer's payment card if the credit institution can not prove that the disputed payment has been authorized by the consumer or that the consumer has been negligent or acted in bad faith.

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Selection of relevant acts and amendments adopted 01.09.2005-31.10.2005

- Law On Declaration of Cash (adopted on 27.10.2005)

LITHUANIA

PROPERTY LAW

New order for sale and lease of State-owned land plots, attributed to privatization objects

On 16.09.2005 the Government adopted Resolution No. 1023 Regarding the Sale and Lease of State-Owned Land Plots, Attributed to Privatization Objects. This

Lithuania

refers to the privatization of real estate – constructions and facilities or their parts (privatization objects) according to the Law on Privatization of State-Owned and Municipal Property, and state-owned land plots or their parts, which are required for the exploitation of privatization objects. These must be sold or rented together with the privatization object. State-owned land plots attributed to privatization objects that are intended to be returned to their previous owners according to Lithuanian Law on the Restoration of the Rights of Ownership of Citizens to Existing Real Property, according to the rules on the sale or lease of State-owned land plots, attributed to privatization objects, affirmed by this Resolution, are not sold or rented together with the privatization object. This Resolution is in force as of 23.09.2005.

Additional information:

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New rules for creation of State land or private land or other real estate trade agreements

On 16.09.2005 the Government adopted Resolution No. 1026 On the Affirmation of Rules on Creation of State Land or Private Land or other Real Estate Trade Agreements. This establishes that land forming part of the fund of unoccupied State land can be traded for an equal land plot or a part of it or other real estate, owned by natural or legal persons or other organizations. If there is no possibility to trade land from the fund of unoccupied State land for an equal land plot, then this land can be traded for a land plot or any other real estate whose value differs by not more than 5 percent. The rules also state that one or several land plots from the fund of unoccupied State land can be traded for a private land plot or a part of it or for any other real estate registered with the Real Estate Register and formed in land-ownership projects (in rural areas) or in detailed plans (in urban areas). The decision to trade a land plot from the fund of unoccupied State land for a private land plot or a part of it or for any other real estate is made by a district governor. This Resolution is in force as of 23.09.2005.

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Rules on valuation of real estate

On 29.09.2005 the Government adopted Resolution No. 1049 Regarding Affirmation of the Rules on Valuation of Real Estate. This establishes that taxpayers calculating tax on their real estate using the re-constructive value (costs) method, may use the real estate value provided in the extract from the Real Estate Register, calculated before 01.01.2006, but not earlier than 5 years ago. Rules on the Valuation of Real Estate affirmed by the Resolution may be applied for calculating the real estate taxing value for the fiscal periods of year 2006 and the periods of subsequent years. This Resolution is in force as of 02.10.2005.

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TAX LAW

New regulations for applying sanctions for legal persons not engaged in business activities

On 17.10.2005 the Head of the State Tax Inspectorate under the Lithuanian Ministry of Finance adopted Order No. VA-70 Regarding Approval of the Regulations on Application of Sanctions for Non-operational Legal Persons by the Tax Administrator. These Regulations establish that County Tax Inspectorates have to apply to the Department of Enterprise Register of the State Enterprise Centre of Registers ("the Register of Legal Persons") initiating the liquidation of a legal person on one or more of the following grounds: a) a legal person has not performed any activity for more than five years; b) management bodies failed to make decisions due to lack of a quorum after resignation of members of managing bodies and (or) a new management body (if it is a sole management body) was not nominated and the situation persists for more than six months. The period is calculated from the day of resignation or dismissal of the members of management bodies; c) Members of management bodies of a legal person cannot be contacted at the registered office of a legal person or locations whose addresses have been produced to the Register of Legal Persons. This order is in force as of 23.10.2005.

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Selection of relevant acts and amendments adopted 01.09.2005-31.10.2005

- Government's Resolution Amending the Resolution Regarding Implementation of the Law on Tax for Environmental Pollution (enters into force as of 01.01.2006);
- Order issued by the ministers of Environment and Finance Amending Order Regarding the Method for Calculation and Payment of Tax for Environmental Pollution (in force as of 12.10.2005 (with exceptions));
- Law of the Republic of Lithuania On Ratification of the Treaty between the Republic of Lithuania and the Republic of Austria Regarding the Avoidance of Double Taxation for Income and Capital (in force as of 29.10.2005);
- Government's Resolution Amending the Resolution Regarding Affirmation of the Order for Sale of Land Plots which were Inherited not by the Citizens of Lithuania (in force as of 23.09.2005)

Contributed by Lea Liigus, Katri-Helen Agur, Estonia; Gita Rivdike, Latvia; Gytis Malinauskas, Lithuania. Edited by Girts Ruda, Latvia.

NEWS IN SORAINEN LAW OFFICES

Recent deals

Assistance in conclusion of large real estate transactions in Latvia and Estonia

The Riga and Tallinn offices have recently assisted Vicus Limited, a Finnish investment company in conclusion of large real estate transactions in Latvia and Estonia. Sorainen Law Offices has advised Vicus in contracts with subsidiaries of SRV Group companies, a Finnish construction company, to acquire a new distribution centre for DHL in Riga, Latvia and a production and office facilities for Efore Plc in Parnu, Estonia. "We are glad to advise such a long term investor in retail, logistics warehouse and industrial property located in the Baltic States," states Girts Ruda, partner of Sorainen Law Offices. "It shows continued strong interest in the Baltic real estate markets, where Vicus intends to invest over MEUR 100 within the next three years."

Advice on acquisition of Skype by eBay

Tallinn office advised eBay in relation to acquisition of Skype Technologies SA for a total upfront consideration of approximately EUR 2.1 billion plus potential performance-based consideration in the maximum amount of approximately EUR 1.2 billion. Skype is the well-known Global Internet Communications Company that allows users to make free voice calls via internet. Skype's main engineering, development and support base is located in Estonia. Instructed by Clifford Chance, our Tallinn office was involved in local matters (regulatory, employment, and tax matters) and due diligence of the local target. The transaction was led by partner Toomas Prangli and senior associate Paul Künnap.

Successful exit from commercial property investment

Tallinn office advised a group of financial investors in exiting their investment from a real estate development and management company. The advice included structuring the transaction (inclu-

ding accommodating the buyer's acquisition finance scheme), drafting and negotiating sale documentation and carrying out the closing. The main lawyers for this transaction were partner Toomas Prangli and associate Jane Eespol.

Sale of major office building in Riga

Riga office assisted a private equity investor in sale of a major A-class office building in the centre of Riga for an undisclosed amount. The transaction was one of the highest-profile property deals in Latvia in 2005. Full transaction advice and negotiations for the sell-side from Riga office were provided by partner Gints Vilgerts and senior associate Brigita Terauda. The transaction was a remarkably good example of excellent co-operation between the sellers' in-house lawyer and external local counsel from Sorainen Law Offices.

Assistance in sale of shares

Attorney-at-Law Renata Berzanskiene, a partner at Vilnius office, assisted the seller in the disposal of 80 percent of shares in a Lithuanian radio station.

Employees

Riga office was joined by a new associate, Ms **Evita Gosa**. Ms Gosa has graduated from Concordia International University (Estonia, LL.B. 2001) and Mannheim University (Germany, 2004). Previously she has worked for the Latvian law offices Lejins, Torgans & Vonsovcis (at present - Lejins, Torgans & Partners) and Rusanovs, Rode, Buss. In Spring 2005 Ms Gosa was an intern with the German law office Graf von Westphalen Bappert & Modest in Cologne. In her previous practice she has mainly dealt with business law issues, however she has experience in the field of criminal law and human rights as well.

Tallinn office was joined by a new associate, Ms **Tuuli Ploom**, who graduated from Tartu University this summer. Her key field of specialization is corporate law. Tuuli is fluent in Estonian and English.

Legal assistant Mr **Gytis Malinauskas** joined the Vilnius office team. Gytis is a third year student at Vilnius University Law Faculty. He speaks English, Lithuanian, and Russian.

Articles

Articles written by lawyers from Sorainen Law Offices are available on our website www.sorainen.com.

Seminars

First seminar in Latvia dedicated to PPP issues

Due to increase in the PPP matters in Latvia Sorainen Law Offices and HVB Bank Latvia organized a seminar dedicated to PPP issues: "Development of Public Private Partnerships (PPP) in Latvia and Europe" which was held on 24 October 2005 in Riga, Latvia. Speakers from Sorainen Law Offices, Lovells, HypoVereinsbank, RBS Nordisk Renting and the Ministry of Economics of the Republic of Latvia delivered presentations and shared their experience in this area. The seminar was well attended and valued by more than 70 participants.

Support to the 8th International Conference "Audit, Taxes and Accounting 2005"

Sorainen Law Offices is supporting the 8th International Conference "Audit, Taxes and Accounting 2005", which will take place on 9 December at the Radisson SAS Daugava Hotel in Riga, Latvia. Luc Nijs, partner and head of tax at Sorainen Law Offices Group, and Janis Taukacs, Attorney-at-Law at Riga office, will deliver presentations at this conference. For more detailed information please contact Gita Rivdike, e-mail gita.rivdike@sorainen.lv.

Support to the International Scientific Conference "Tendencies and Perspectives of the Contemporary Development of Civil Law"

On 15-16 September Vilnius University organized an International Scientific Conference "Tendencies and Perspectives of the Contemporary Development of Civil Law". The conference took place in the "Novotel" hotel in Vilnius. Vilnius office was one of the sponsors of this conference.

Other news

Sorainen Law Offices recommended by International Financial Law Review 1000

International Financial Law Review 1000 (IFLR 1000), a guide of leading law firms regarding international corporate finance, including areas of banking, capital markets, insolvency and restructuring, M&A and project finance, has listed Sorainen Law Offices among recommended law firms within all evaluated areas in all Baltic countries.

Sorainen Law Offices contributed to World Bank publication "Doing Business in 2006"

Sorainen Law Offices have contributed to the World Bank's publication "Doing Business in 2006, Creating Jobs". This is the third in a series of annual publications investigating regional business regulations. Quantitative indicators on business regulations and their enforcement can be compared across 155 countries. For further information please visit the interactive website at <http://www.doingbusiness.org/>.

Present to Vilnius University Law Faculty

On 28 October Vilnius office donated several legal books to Vilnius University Law Faculty.