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EUROPEAN UNION

EU NEWS

Largest ever fines imposed by the Commission for cartel violations

The European Commission recently fined lift and escalator companies - Otis, Kone, Schindler, ThyssenKrupp and Mitsubishi Elevator Europe B.V. - €992 million for operating cartels. Over approximately 10 years, these companies fixed prices, shared markets, rigged bids for procurement contracts, and allocated projects to each other. The companies informed each other of calls for tender and co-ordinated bids according to pre-agreed cartel quotas. Fake bids which were too high to be accepted were lodged to give the impression of normal competition. Since Kone subsidiaries in Belgium and Luxembourg and Otis Netherlands were the first to provide information about these cartels they received full immunity from fines under the Commission's leniency programme. The fines imposed on ThyssenKrupp were increased by 50%, as it is a repeat offender. €992 million is the largest ever fine imposed by the Commission for cartel violations.

Warning of further penalties for Microsoft

On 2007.03.01, the European Commission sent a statement of objections to Microsoft for failing to comply with its obligations under the Commission's March 2004 decision. The decision found that Microsoft's refusal to supply interoperability information risked eliminating competition in the work group server operating system (software that provides file, print and user administration services, e.g. access your computer via a password) market. According to the decision, Microsoft had to disclose complete and accurate documentation on reasonable and nondiscriminatory terms, allowing non-Microsoft work group servers to interoperate with Windows PCs and servers. However, according to the Commission, no significant innovation exists in interoperability information and therefore the prices proposed by Microsoft for this information are unreasonable. Microsoft has four weeks to reply to the statement of objections, after which the Commission may impose a daily penalty, which can be up to 5% of average daily turnover per calendar day.

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ESTONIA

TAX

Estonian Tax Board begins issuing binding preliminary assessments

From 2008.01.01, the Estonian Tax Board may on request issue a binding preliminary assessment on a future transaction, e.g. whether income tax will be levied on the transaction or not. Previously, the extent of tax liability became evident only after receipt of notice of assessment from the Tax Board.

Tax administrators must make a preliminary assessment within 60 calendar days after receiving a duly formalised application. However, a tax administrator may extend the term by 30 days where good cause exists. Applicants for a preliminary assessment must pay a state fee of EEK 12,000 for legal persons and EEK 3,000 for natural persons.

A notice of assessment differs from a preliminary assessment in that if an applicant disagrees with a preliminary assessment, then they cannot exercise the right of appeal. However, a taxable person may choose not to perform a transaction analysed by the Tax Board.

A preliminary assessment may not be applied for with respect to transfer pricing, i.e. transactions performed between connected parties, such as a parent company and a subsidiary. The exception is mainly due to identification problems and the high factor cost involved in such transactions.

The authors of the draft amendment believe that introducing a binding preliminary assessment will make taxpayers feel more secure about taxation of transactions, facilitate the development of uniform court practice, and increase overall legal certainty.

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REAL ESTATE AND CONSTRUCTION

Public utility service providers must pay a fee to landowners

Amendments to legislation which took effect on 2007.02.27 establish that owners of utility works constructed for public use,

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such as power lines, power networks, and water and sewerage pipelines, are obligated to pay private landowners a fee for tolerating structures located on their land.

Although the previous act entitled landowners to demand a fee for tolerating power lines or sewerage pipelines installed on their land, in practice landowners had little opportunity to protect their rights effectively because the rate of the fee was not fixed.

The amendments require that owners of power lines or water pipelines pay an annual fee to landowners for tolerating a power line or pipeline. The fee is calculated as follows: the taxable value of the land under the protection zone of a line or pipe multiplied by the factor prescribed for the intended purpose of the land.

A person who owns such land may demand a fee for the current year if he or she was the owner of the immovable as at 1 March of the same year, provided that the application is filed by 1 July of the current year. A claim for payment must be filed within three years. The fee may be collected retroactively as of 2004.11.01 and the relevant application must be filed not later than by 2010.07.01.

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CORPORATE ADVISORY

On 2007.02.01, the new Employees' Representative Act entered into force. This regulates more precisely the activities of employees' representatives and their relationship with both the employer and other employees.

Under the new Act, representatives are elected by a general meeting of employees where all employees must have the opportunity to vote. Employees may elect several representatives and these may represent the employees jointly. As a general rule, representatives are appointed for a three-year term unless the general meeting of employees decides otherwise. The general meeting of employees may remove a representative at any time.

A representative is entitled to have a certain amount of working hours for performing his or her duties depending on the number of employees being represented, but the time allocated to a representative must be at least four hours every working week. A representative may, by agreement with the employer, perform his or her duties during or outside regular working hours. The employer must enable a representative to participate, to a reasonable extent, in training necessary for performing his or her duties. A representative receives an average salary for time spent performing the duties of representative and for time spent on training.

An employer of at least 30 employees is required to comply with certain informing and consulting obligations. A representative must maintain confidentiality of information

and personal data received from the employer both during and after the term of authority. Violation of obligations is punishable by a fine.

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BANKING AND FINANCE

Prior Notice and Consent Required for Processing Personal Data

In February, the Estonian Parliament adopted the amended Personal Data Protection Act, which specifies the procedure for processing personal data of natural persons and regulates the forwarding of such data to foreign countries. The new amendments will take effect on 2008.01.01.

As a general rule, gathering, forwarding, and disclosure of personal data require a person's express written consent. In case of dispute, it is presumed that no consent was given. Therefore, consent must be clearly identifiable in the terms and conditions of the transaction.

Prior to obtaining consent, the person must be informed of the purpose and conditions of processing their personal data and any rights pertaining thereto must be explained to them.

However, consent is not necessary where personal data are processed to perform a contract entered into with the person. In that case, the person need only be informed of the categories and source of the data to be processed as well as the contact information of the processor.

We recommend that you consider the amendments described above when entering into contracts to ensure that gathering and processing of personal data today is in line with the law to take effect next year.

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LATVIA

REAL ESTATE AND CONSTRUCTION

Recent case law concerning protective zones and servitudes

In February 2007 the Constitutional Court of Latvia delivered judgment in case No. 2006-09-03 concerning compliance of part of the Territorial Plan of Garkalnes parish with the Protective Zone Law (section 37 ((1)4) and the Constitution of Latvia (section 115).

The Protective Zone Law prohibits construction within the surface water body protection zone in areas with probability of flooding at least once in a hundred years

("flooding areas") except structures for short-term use, small buildings in rural areas and protection structures especially provided for this purpose or for raising the ground level. The Garkalne Territorial Plan, on the other hand, stipulated that the width of the flooding area around lake Lielais Baltezers is 200 m, but at the same time it allowed construction 50 m from the bank.

The Constitutional Court of Latvia concluded that construction in flooding areas is prohibited, except building of structures for short-term use and small buildings in rural areas. However, it is prohibited to raise the ground level or to build protective structures especially provided for this purpose in order to perform any kind of construction, including structures for short-term use and small buildings in rural areas. Raising the ground level and building protective structures is allowed solely for the purpose of protecting existing buildings from flooding. Based on that interpretation of the Protective Zone Law, the Constitutional Court of Latvia court declared part of the Garkalne Territorial Plan void.

We advise our clients to review their construction plans in light of this judgment.

The Senate of the Supreme Court of Latvia recently summarized and published recent case law concerning servitudes. The Senate pointed out that in the last few years the amount of these cases is steadily growing.

According to Civil Law, servitudes may be established by law, by court judgment, by contract, or by will. If doubts arise regarding the extent of a servitude, it must always be presumed to be to the least extent. Servitude of right of way (road servitude), should not be established if access to the dominant property may be had another way.

Note that actual use only establishes a servitude right to the owner of the dominant property if it is also established under the procedure determined by Civil Law. Sole actual use does not create a servitude right, but it may provide a reason for establishing a servitude so that it may benefit the dominant property.

The Senate pointed out that a claim to establish a servitude should be denied and an established servitude may be cancelled by a court if it is not absolutely necessary and it is of no benefit to the owner of the dominant property.

If the servient property is mortgaged, the consent of the lender is needed to establish a servitude.

We advise clients to use these conclusions in further practice concerning establishment of servitudes and the use of servitude rights.

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TAX

Changes to procedures affecting Latvian Double Taxation Treaties

Latvia has signed a number of treaties to avoid double taxation of income earned in one treaty country by tax residents of other treaty countries. On 2007.03.09 amendments to regulations:

- change the rules for foreign taxpayers claiming double taxation exemption;
- introduce new procedures for treaty country tax residents who start business in Latvia but consider they need not register a Permanent Establishment (PE) in Latvia subject to Latvian income tax.

Treaty-based tax reductions or exemptions apply only if foreigners prove they are tax residents of a treaty country. Reduced taxes payable under these treaties are withheld from (Latvian-source) income paid by Latvian payers to foreign taxpayers.

Previously, proof of tax residence was limited to presenting to the payer a specific (residence) certificate - under Latvian law - by the tax authorities of a treaty country confirming the recipient as a tax resident of that country.

Now, Latvian tax authorities can agree with their counterparts in other treaty countries to accept tax residence certificates or similar documents in the format prepared by foreign counterparts, which in turn will accept similar certificates by Latvian tax authorities.

Treaty provisions take precedence over local law. Thus, even where under Latvian tax law activities in Latvia require a foreign entity to register a PE and pay Latvian income tax, if a foreign entity is a tax resident of a treaty country then it may now be able to avoid registration in Latvia because its activities in Latvia in accordance with the treaty do not constitute a PE subject to Latvian taxation.

Note: if a foreign entity considers it is not required to register a PE, then within 10 days from starting activities in Latvia it must apply for confirmation that it need not register by providing information to the Latvian taxation authorities that will enable them to confirm the activities comply with the treaty.

Apparently, treaty country entities currently operating without perceiving the need for a PE in Latvia may not need to apply for confirmation. However, this may be difficult for Latvian authorities to decide, as determining whether a PE exists under a double taxation treaty is highly complex.

Changes to Personal Income Tax Act 1993

Additional clarifications are in force from 2007.01.16. as to what qualifies as taxable income and how it is to be calculated. The changes also provide that self-employed individuals will pay a tax rate of 15% from 2008.01.01.

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INSURANCE

Amendments to the law "On Insurance Contracts"

Amendments to the law "On Insurance Contracts", which were necessary to improve the legal regulation of insurance contracts, come into force on 2007.04.18.

The amendments introduce a lawful procedure for concluding an insurance contract by remote communication, determine regulations for the situation where parties agree that an insurance premium or its first instalment is paid after the insurance contract has come into force and the premium payment is made belatedly.

The amendments stipulate that absence of signatures of the parties on the policy does not affect validity of an insurance contract.

More insurance legal news is available in the latest edition of the Insurance Baltic Legal Update Spring 2007 edition which can be found on Sorainen Law Offices webpage www.sorainen.com under the Publications section.

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CORPORATE ADVISORY

Important judgments concerning termination of employment during probation period and definition of working time

Recently (on 2007.01.17 and 2007.02.28) the Supreme Court Senate delivered two important judgments in the field of labour law.

In the first case (Case No. SKC-88) a probation period was prescribed for the employee. The employee argued that as notice to terminate the employment contract was issued on the last day of the probation period (2006.01.31) the notice was illegal. Under the Labour Law the employer can terminate an employment contract during the probation period by serving on the employee a termination notice three days in advance. Normally, the employee continues to work for the employer three more days including the day of receiving the termination notice.

The court, however, said that the employer is entitled to terminate the employment contract during the whole period of probation, including the very last day of the period. The fact that the employee actually continues to work for two more days after termination notice has been served cannot be interpreted as suggesting that the employee has passed the probation period.

The other judgment (Case No. SKC-21) reaffirms the strict interpretation of the working time definition included in the Labour Law. Under an employment contract the parties had agreed that the employee (a manicurist in a beauty parlour) works regular working time (40 hours per week). However, the employer counted

and paid for the hours the employee had actually worked with clients.

The court explained that under the Labour Law working time is the period from the beginning until the end of work within the scope of which an employee performs work or is at the disposal of the employer, with the exception of breaks in work. According to the facts of the case the employee had been at her workplace during the working hours prescribed for her, so it must be concluded that she had been "at the disposal of the employer". Consequently, the employer must calculate and pay salary to the employee for all the hours the employee was at the disposal of the employer, irrespective of whether during this time the employee had worked with clients of the beauty parlour or not.

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Competence of general meeting of shareholders of private limited liability company (SIA)

On 2006.12.20 the Senate of the Supreme Court of Latvia delivered a decision in Case No. SKC-747 emphasizing the exclusive competence of the general meeting of shareholders in issues related to initiating a claim against a founder, shareholder, or management board member.

Where a company initiates a claim against the founder, a shareholder, or management board member, it has to provide evidence that the general meeting of shareholders has so decided. Moreover, as in this case, that requirement also applies if a claim has been initiated against the managing director (according to the previous wording of the Law the sole member of the management board was the managing director).

The Senate ruled that the absence of evidence that the general meeting of shareholders had decided to initiate a claim against the previous shareholder and management board member had led to the situation that a claim was initiated by a person without such authorization. Thus the claim had been left without review.

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COMMERCIAL CONTRACTS

Important developments in Intellectual Property Laws

On 2007.03.01 substantial amendments to the laws regulating Intellectual Property matters came into force. A new Patent Law came into force, replacing the previous Patent Law of 1995. Patents issued on the basis of the previous law remain valid and will be protected according to the new law. The new Patent Law implements the requirements of EU Directives 2004/48/EC, 98/44/EC, and 2001/83/EC (as amended by Directive 2004/27/EC).

Additionally, on the same date amendments to the following laws came into force: Copyright Law, Law on Trade Marks and Geographical Indications, Law on Protection of Topographies of Semiconductor Products, Law on Designs. All the amendments implement the requirements of Directive 2004/48/EC of the European Parliament and Council of 2004.04.29 on the enforcement of intellectual property rights. The amendments provide additional protection with respect to infringement of Intellectual Property rights, such as ensuring the right to information, rights to evidence and preserving evidence, provisional and precautionary measures, corrective measures, compensation of damages and legal costs.

Additional information on these developments will be available in the Intellectual Property Legal Update to be issued by Sorainen Law Offices in May 2007.

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LITHUANIA

BANKING AND FINANCE

Changes in Regulation of Securities Market

Recent amendments established that the concept of the issuer subject to requirements of the law has been narrowed considerably. This is to say that public companies, which are not considered issuers in terms of the law, will not be obliged to act in accordance with the Law on Securities and their business will not be supervised by the Securities Commission. Under the new law, issuers are considered to be only companies listed on the stock exchange, companies with prospectuses of issued securities approved by the Securities Commission, and companies which made a public offering of securities after 2002.01.01 and decided to be issuers within six months of the new law coming into effect. These companies will have to publicly announce annual and interim reports of their activities, their shareholders will have to disclose information of acquisition and disposal of portfolios, while a shareholder acquiring over 40 percent of the shares of such a company will have to make a mandatory tender offer to buy up the remaining shares of the company.

The so-called EU Transparency Directive has been transposed into the new Law on Securities. The Directive establishes a duty for listed companies to make information available for all investors in all member states of the EU. An issuer will be able to announce such information itself or authorise a news agency, the operator of the regulated market, and others. The key principle established by the amendments and related with disseminating free information for investors should be maintained. Issuers will continue to be required to disclose corporate activity, and

issuers' shareholders to announce a newly-acquired or disposed-of portfolio.

As of 2 February 2007 new Law have started regulating public trading in financial instruments

The new Lithuanian Law on Markets in Financial Instruments repeals and replaces the Lithuanian Law on the Securities Market. The new law is intended to reform regulation of investment services and secondary trading in financial instruments (without limitation to securities). Its aim is to regulate public relations to ensure a fair, open, and efficient operation of financial markets, protection of investors' interests and restriction of systemic risk. In addition, the law implements Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

One of the main new issues is that the monopoly of the regulated market is eliminated, i.e. securities sale and purchase transactions are no longer required to be concluded only on the regulated market where such securities are admitted to trading. Client orders to buy and sell financial instruments may be executed not only on the regulated market, but in a multi-lateral trading facility (MTF) as well. Consequently, operation of MTF becomes an investment service that may be provided by a licensed financial brokerage firm or credit institution. Client orders can also be executed by a financial brokerage firm or credit institution undertaking systemic trade (systematic internaliser) and a financial brokerage firm or credit institution that does not undertake in systemic trade, matching client orders received.

The law also regulates investment services to professional clients, licensing and activities of financial brokerage firms and their organisational requirements, operation of regulated markets, accounting of financial instruments, prohibition of abuse of the market in financial instruments, supervision of the market in financial instruments, and the legal status of the Securities Commission.

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CORPORATE ADVISORY

News on decreasing the authorised capital of a company

On 2007.01.12 the Lithuanian Seimas adopted the Law Amending Articles 15, 45, 52, 53, 58, 59, 60 and Repealing Section 1 of Article 78 of the Law on Companies. New aspects introduced by the law mainly relate to a decision to decrease the authorised capital of a company. Such a decision with the aim of paying company funds to shareholders may be taken only at the ordinary general meeting of shareholders upon approval of annual financial statements, distribution of the profit available for appropriation, and subject to other conditions prescribed by law. Furthermore, the decision of the

general meeting of shareholders should indicate the aim for decreasing the authorised capital of the company. Capital may be decreased only for purposes set by law, namely to eliminate losses entered on the company balance sheet, to annul shares acquired by the company, and so on. The decision to decrease capital is deemed void unless appropriate amendments to the articles of association are provided to the commercial register within six months from the meeting that took the decision. Requirements for approving audited financial statements and appropriating profit (losses) have also been amended. A decision to appropriate profit (loss) should contain the undistributed profit (loss) of the previous year at the close of the accounting year and the profit for the accounting year not shown in the profit and loss account.

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Requirement for EU citizens to obtain a residence permit in Lithuania rescinded

The Lithuanian Seimas adopted the amendments to the Law on the Legal Status of Aliens. These amendments repeal the requirement for residents of EU member states intending to reside in Lithuania to obtain a residence permit, although anyone doing so has to declare their place of residence every six months if they stay in Lithuania for over three months. However, an EU permit to reside in Lithuania should be obtained by family members who come with him/her or to visit him/her for over three months in any period of six months and who are not citizens of a member state of the EU.

The permit of permanent residence in Lithuania has been replaced by a long-term Lithuanian residence permit to reside in the Community, entitling a foreign national to reside in Lithuania and confirming the status of permanent resident of a foreign national. A person residing in Lithuania for the last uninterrupted five years with a temporary residence permit and wishing to obtain a permanent residence permit must in addition to the state language examination take the examination of the basics of the Constitution. A permit to reside permanently is associated with residence in any member state of the EU, but if a permit to reside permanently in any member state is obtained, the Lithuanian permanent residence permit becomes invalid. Furthermore, a foreign national is not deprived of the right to reside permanently in Lithuania only because their permanent residence permit has expired.

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Contributed by Tuuli Ploom, Katri-Helen Agur, Estonia; Gita Rivdike, Latvia; Povilas Karlonas, Lithuania. Editor: Girts Ruda, Latvia.

NEWS IN SORAINEN LAW OFFICES

Recent deals

Fortum acquires Vattenfall Baltic heat operations

Tallinn office advised Fortum in its acquisition of heat operations of Vattenfall in the Baltics. Fortum Termest AS acquired Pärnu district heating companies and Fortum Holding B.V. acquired the Riga Airport heating company. The transaction was handled by partner Toomas Prangli and senior associate Paul Kunnap.

Privanet launches its Estonian investment firm

Tallinn office assisted Privanet, the only investment services company in Finland specializing in trading with unlisted shares and organizing funding for private growth companies, in its Estonian investment firm setup and related legal issues. This was the first step in Privanet's strategy to expand to the Baltics. The transaction was advised by senior associate Risto Agur.

Valio reorganises its group structure in the Baltics and Russia

Valio, the biggest dairy business in Finland, recently reorganised its group structure in the Baltics and Russia, where Sorainen Law Offices advised regarding its Baltic restructuring. This transaction enabled the client to streamline its corporate structure in these regions with respect to current business, which should result in more efficient operation. The transaction was advised by senior associate Risto Agur and associate Elen Rohtla.

Broadgate Capital restructures its real estate fund

Tallinn office advised the real estate fund manager and developer in the Baltic States with restructuring its real estate fund. Our office drafted a full set of transaction documents for this purpose. The case was handled by associate Elen Rohtla.

Two significant secured corporate finance transactions

From December 2006 to March 2007 Sorainen Law Offices Riga office acted for Deutsche Bank AG in a finance facility in relation to the acquisition by Butler Capital Partners of the Industrial fibers business of Rhodia, the listed French manufacturer of functional chemicals. Our advice concerned the full loan documentation, and we assisted in establishing a full security package under Latvian law in respect of Rhodia's local operations. The transaction in Riga was lead by

partner Girts Ruda and senior associate Rudolfs Engelis.

In February and March 2007 Sorainen Law Offices in Riga, Tallinn and Vilnius assisted KBC Bank, Succursale Française, in a finance facility in relation to the sale of Consolis, the European market leader in prefabricated concrete, by Industri Kapital to LBO France. Consolis has operations in a number of jurisdictions, including the three Baltic States. Sorainen Law Offices advised on the loan documentation, as well as establishment of security in all three Baltic jurisdictions. The transaction was advised by partner Girts Ruda and senior associate Rudolfs Engelis in Riga, senior associate Reimo Hammerberg in Tallinn and senior associate Agne Jonaityte in Vilnius.

Partner Girts Ruda remarked that these transactions illustrated a growing trend of Latvian companies being involved in large European secured corporate loan facilities, and were remarkable due to certain innovative solutions that Sorainen Law Offices applied in establishing security interests in Latvia.

Merger of Tietoenator companies in Lithuania

Vilnius office recently assisted Tietoenator in the side-step merger of its Lithuanian subsidiaries. Tietoenator is a Scandinavian-based corporation, one of the largest IT and media service providers in Europe. The client was assisted by senior associate Tomas Davidonis.

Acquisition of shareholding in major clothing retailer in Lithuania

Vilnius office represented UAB Aura Estate in acquiring 48% of shares in AB Levuo from UAB MG Baltic Investment. AB Levuo is the second largest clothing retailer in Lithuania operating clothing retail stores with own brand Imitz, franchise shops of international trade marks (Esprit, Etam, Gerry Weber, etc.), fashion house Gedimino 22 and a gift shop chain with own brand, Dorado. The client was assisted by partner

Laimonas Skibarka and senior associates Raminta Karlonaite and Mantas Petkevicius.

Employees

New partner and five new lawyers for Sorainen Law Offices in Tallinn

Carri Ginter, Attorney-at-Law at Tallinn office, has become a partner in Sorainen Law Offices. After joining the firm in January 2005, now head of the dispute resolution team at our Tallinn office, he also specializes in EU Law. His extensive experience in litigation is illustrated by six decisions of the Estonian National Court favourable to clients within the last three years and successfully representing a client in the largest individual damages claim against the Republic of Estonia in the Estonian courts. Mr Ginter is a *Legal 500* recommended practitioner.

Kaupo Lepasepp and **Kristi Lehtis** joined the firm as senior associates, attorneys-at-law. **Kaupo** specialises in dispute resolution, property law and commercial contracts. **Kristi** joined our firm in December 2006 to strengthen the competition law department. Her areas of expertise are M&A and competition law.

Associates **Kalev Kala**, **Stefano Grace** and **Anneliis Lett** also joined our Tallinn office. **Kalev** previously worked in the Estonian Ministry of Foreign Affairs as a legal counsel and his core specialisations are intellectual property law, IT law, and trade law. **Stefano** is an associate from the United States who specializes in M&A, Corporate Finance and Securities law, and Intellectual Property law. **Anneliis** joined our office in November 2006 to strengthen the Real Estate and Construction Legal Team.

Expansion of Sorainen Law Offices pan-Baltic Tax Team

As of 2007.03.01 our Tax Team was joined by Australian Barrister and Solicitor and Certified Practicing

Sorainen Law Offices in cooperation with Äripäev
invites you to the seminar

“Opportunities and risks in public-private
partnership projects (PPP)”,
to take place on 25 April 2007
at the Radisson SAS Hotel in Tallinn, Estonia.

For more detailed information please see
http://www.aripaev.ee/seminar/seminar_.php?id=6267 or
contact Katri-Helen Agur (tel.: +372 6400900 or
e-mail: helen.agur@sorainen.ee).

Accountant **Uve Zosars**, who has more than 30 years combined experience in Australia and Latvia as a trained lawyer and certified practising accountant.

With the arrival of Mr Zosars, the Sorainen Tax Team consists of nine tax experts, forming the major law firm tax team in the Baltics.

Our new colleague Mr Zosars has had nine years experience working in the Australian Tax Office and five years as Senior Taxation Advisor and Manager Corporate Taxation Advice with Telecom Australia, later Telstra. He has been living in Riga for the past ten years during which he has been employed by both Arthur Andersen and KPMG Latvia as a Tax Consultant and Manager. He is also a Certified Latvian Taxation Consultant.

Two new lawyers at Vilnius office Paulius Galubickas and Donatas Virvilas joined our Vilnius office as associates. Paulius holds two Master's Degrees: in international telecommunication law from the University of Cologne and in business law from Vytautas Magnus University. Donatas was awarded an LL.M. at Mykolas Romeris University and for the last three years has worked in law firm Vilniaus 1 – oji advokatų kontora as a legal assistant.

Seminars

Pan-Baltic conference on arbitration in the Baltics

Riga office is supporting the pan-Baltic conference "Arbitration in the Baltics. Contemporary Issues" organized by the Riga Graduate School of Law (RGSL) on 1 June 2007 in Riga, Latvia. More detailed information on the conference by contacting Galina Zukova (phone: +371 7039358 or e-mail: arbitration2007@rgsl.edu.lv), or on our website: www.sorainen.com.

Articles

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

Other

Real Estate Market Report in cooperation with Ober-Haus and Deloitte

Sorainen Law Offices, Ober-Haus, and Deloitte published a thorough overview of the real estate markets of the Baltic States. The "Real Estate Market Report 2007" analyses changes in the real estate markets in Tallinn, Riga, and Vilnius in 2006 and describes legal and tax-related issues of the commercial, industrial, and residential sectors. The report is available on our homepage www.sorainen.com.

New specialized Baltic Legal Updates – on IP and IT Law

Since 1997 Sorainen Law Offices offers a regular review of the latest changes in legislation of the three Baltic countries. Currently we are offering the general Baltic Legal Update and specialized Insurance Baltic Legal Update in several languages.

Because of the growing relevance and value in day-to-day business of intellectual property, including trade marks, copyright, design and patent rights, as well as due to rapid growth of the information society services sector and the wide-spread use of IT solutions in business and increasing number of disputes in these fields, we intend to launch **IP Baltic Legal Update** and **IT Baltic Legal Update in May 2007**. Semi-annual publications in English language will present recent regulatory developments and will assist in practical application of legislative changes to your business.

If you are interested in receiving IP Baltic Legal Update and / or IT Baltic Legal Update free of charge,

please contact us via e-mail: sorainen@sorainen.lt and confirm you wish to be informed of recent developments in IP and / or IT legislation.

Partner Renata Berzanskiene appointed member of ICC Commission on Arbitration

In February upon the recommendation of ICC Lithuania, Renata Berzanskiene, a partner at our Vilnius office, was appointed to the ICC Commission on Arbitration. The Commission aims to create a forum for experts to pool ideas and impact new policy on practical issues relating to international arbitration, settlement of international business disputes, and legal and procedural aspects of arbitration.

Laimonas Skibarka appointed Chairman of the Commission on Commercial Law and Practice at ICC Lithuania

Laimonas Skibarka, a partner at our Vilnius office, was appointed chairman of the Commission on Commercial Law and Practice at ICC Lithuania. The Commission aims to facilitate international trade and promote a fair and balanced self-regulatory and regulatory legal framework for international business-to-business (B2B) transactions as well as improving the legal environment for business in Lithuania. Activities of the ICC Commission on Commercial Law and Practice [link to <http://www.iccwbo.org/policy/law>] include setting global business rules and standards, developing model contracts that facilitate international trade as well as providing leadership for the development of B2B self-regulation. ICC Lithuania [link to <http://www.tprl.lt>] is a national committee of ICC (International Chamber of Commerce) [link to <http://www.iccwbo.org>], a global business organisation aiming to promote global economy as a force for economic growth, job creation, and prosperity.

Sorainen Law Offices in cooperation with the Lithuanian Insurance Supervisory Commission invites you to the international conference

"Insurance in the EU: Recent Regulatory Trends",
to take place on 16 May 2007
at the Novotel Vilnius Hotel in Lithuania.

For more detailed information please see www.sorainen.com
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