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EUROPEAN UNION

**ECJ: Group relief regarding losses in the EU**

In the near future the European Court of Justice (ECJ) will decide the case that can substantially change the direct taxation of companies throughout the European Union. The ECJ has earlier invoked the right of establishment envisaged in the EC Treaty to adopt principles in the area of the direct taxation.

The outcome of Marks and Spencer PLC (M&S) v David Halsey case can influence companies which have, or are considering establishing, subsidiaries elsewhere in the EU e.g. working pan-Baltic, because the decision can prompt amendments to laws of the member states allowing parent companies to set off losses of their subsidiaries resident in other EU member states.

In the M&S case a UK tax resident company incorporated subsidiaries with tax residency in Germany, France and Belgium. None of these subsidiaries carried on business in the UK. Each of the said subsidiaries made trading losses during the relevant years. M&S made group relief claims for each relevant year with a view of setting the (non-UK) losses of each subsidiary against the UK taxable profits of M&S thus reducing the amount of profit ultimately subject to the UK tax. The UK tax authorities refused all such claims.

M&S brought the case to the ECJ. On 07.04.2005, the Advocate General (AG) of ECJ delivered his opinion according to which the current UK system of group relief, which does not allow reducing a UK company's taxable income by losses of its subsidiaries elsewhere in the EU, is contrary to Article 43 of the EC Treaty (freedom of establishment). One of the reasons for such approach is that a UK parent having a UK subsidiary is allowed to use the group relief, whereas a UK parent having a non-UK subsidiary is not, thus damaging freedom of establishment in a non-UK country.

This may prove to be of high significance for income taxation system throughout

the EU, in particular, in the countries that recognise the group relief. For instance, a Latvian company having a subsidiary in Lithuania could reduce its taxable income by losses made by the Lithuanian subsidiary. Moreover, the case may also raise a discussion between a difference in treatment of losses in an overseas subsidiary and a branch.

Currently, Lithuania does not establish the group relief system and thus the profits of group companies are calculated and losses are recognised on the basis of a separate company. Setting-off losses within groups of companies established in Latvia is generally allowed. In Estonia, there is no annual corporate income tax levied on companies. Therefore, the group relief system is not an issue in Estonia, and Estonian income tax system is fully compliant with M&S case principle. However, in the future when the corporate income taxation system will be changed, the position of the AG if upheld by the ECJ, will be most probably integrated in the taxation laws.

The statistics indicate that the ECJ follows AGs' opinions in approximately 80% of cases. It is also interesting that 1990 draft directive dealing with losses has never been enacted.

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ESTONIA

CAPITAL MARKETS

**Estonian Securities Law now in compliance with the EU directives**

On 01.04.2005, amendments to the Securities Market Act (*väärtpaberituruseadus*) and related legislation came into effect.

The main aim of the amended regulation is to ensure equal treatment of all market participants (i.e. all investors should receive sufficient and proper information on equal grounds for making investment decisions).

Estonia

Code of Civil Procedure adopted

Latvia

Construction – from now on licence-free business

Lithuania

Law on Environmental Protection amended

Sorainen Law Offices

Baltic Business Law Seminars in spring 2005

## LEGAL UPDATE

Issues related to inside trading and market manipulation (market abuse) are much more thoroughly regulated. The amendments provide for the treatment of inside information, including publication and compensation of losses by an issuer if inside information was not properly published. An issuer is also obliged to keep a list of insiders who are likely to have an inside information and inform FSA upon the respective request about the list.

The law defines and regulates the market manipulation and recognised market custom and forests the rules for issuing investment recommendations.

Provisions of the most securities market related EU Directives were implemented to Estonian legislation with those amendments.

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## CIVIL PROCEDURE LAW

**Code of Civil Procedure passed**

The Code of Civil Procedure (*tsiviikohtumenetluse seadustik*) governs the order of settlement of disputes in civil courts. The main goal of the Code of Civil Procedure passed by the Parliament on 20.04.2005 is to make court proceedings in civil matters faster, more efficient and more economic by using new modes of procedure and by favouring more widespread use of electronic means of communication. The question of civil courts' jurisdiction is specified. Procedural time limits (e.g. for filing proof) are set in more detail. Simplified procedure is prescribed for custody disputes and disputes between co-owners.

When the Code takes effect, actions and other documents can be submitted e.g. by digitally signed e-mail. The Code also prescribes the possibility to hold hearings via a video conference, which is already used in criminal proceedings.

Court proceedings are made more effective and faster by the possibility of courts of first instance to adjudicate disputes regarding smaller amounts in a simplified procedure. For instance, the Code prescribes the possibility to adjudicate monetary claims with the minimum participation of a judge. Cases with presumably no legal dispute can be subject to simplified proceedings as follows: the court satisfies the application for such a proceeding without verifying whether the claim is substantiated. The debtor may submit objections, in which case the proceeding continues as an ordinary action.

Possibilities to pass judgments by default have been made more effective and the rules for challenging such judgements

have been made stricter- these changes should more effectively ensure that parties participate in court hearings.

The Code gives judges the possibility to interfere with the process more actively and to persuade the parties to conclude an agreement in order to reach an agreement in the earliest stage of court action. The activities of arbitral tribunals are also regulated in more detail by creating a legal basis for ad hoc arbitral tribunals. The Code is expected to enter into force as of 01.01.2006.

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## ENVIRONMENTAL LAW

**Requirements for Environmental Impact Assessment detailed**

The Environmental Impact Assessment and Environmental Management System Act (*keskkonnamõju hindamise ja keskkonnajuhtimissüsteemi seadus*) entered into force on 03.04.2005. This replaced the Environmental Impact Assessment and Environmental Auditing Act, which had regulated this area from 2001. The new Act establishes a more efficient procedure for the environmental impact assessment of planned activities and the procedure and principles of strategic environmental assessment.

Compared to the previous Act, the new law covers environmental impact assessment aspects more thoroughly and broadly. The Act details the activities, in case of which environmental impact assessment is obligatory:

(1) when an activity licence (i.e. building permit, permit for use of construction works, environmental permit, extraction permit, etc.) or its amendment is being applied for, if such an activity involves a significant environmental impact;

(2) when an activity is being planned which may have a significant impact on the Natura 2000 area.

In addition to the significant environmental impact, the Act specifies a long list of activities having significant environmental impact, e.g. oil refining, metal processing, erection of a port or quay, dredging of the sea, etc. The Act also provides the areas of activity where the issuer of the activity licence must assess whether such activities involve a significant environmental impact, e.g. agriculture, forestry, fishing industry, chemicals and food industry, etc.

Compared to the earlier regulation, it is now regulated in detail when the environmental impact assessment is obligatory for general or detailed plans. In case of a detailed plan, which is a condition for the issuance of the building permit, one should consider whether any

activities of significant environmental impact are planned on the basis of the plan.

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## PHARMACEUTICALS

**New Medicinal Products Act passed**

The Medicinal Products Act (*ravimi-seadus*) entered into force on 01.03.2005. One of the main objectives of the new Act was to harmonise the Estonian medicinal products regulation with the basic European Union legislation on medicinal products and to eliminate the conflicts and gaps that had appeared in the previous Medicinal Products Act.

The new Act clarifies the definition of medicinal products handling, the procedure of applying for licences, processing of applications for and granting of activity licences for handling medicinal products, as well as the procedure for applying for and granting of medicinal products marketing authorisations. The new Act also regulates and details the prescribing of medicinal products and the requirements for advertising medicinal products, and ensures the protection of people participating in clinical studies of medicinal products. It also regulates supervision and liability related to the above activities with an aim of ensuring the safety, quality and efficiency of medicinal products used in Estonia.

The new Medicinal Products Act has already been amended as regards rules for the issuance of activity licences for general pharmacies. It is planned that the latter amendments will enter into force on 01.01.2006.

## Additional information:

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## PUBLIC PROCUREMENT

**Simplified procedure on organizing public procurements for a larger number of services**

Amendments to the Public Procurement Act (*riigihangete seadus*) came into force on 08.04.2005. Pursuant to the amendments, simplified public procurement procedure can now be applied for ordering the following services: hotel and restaurant services, rail transport services, water transport services, transport assistance and incidental services, legal services, personnel recruitment and search services, investigative and security services (except for armoured car services), education and vocational education services, health care and social services and entertainment, culture and sports services. In the previous wording

similar public procurement procedure applied only to ordering health care and ambulance services, legal services, water transport and rail transport services.

**Additional information:**

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**Selection of relevant acts and amendments adopted 01.03.2005 - 30.04.2005**

- Amendments to the Aliens Act (in force as of 24.04.2005)
- Amendments to the Principles of Legal Regulation of Industrial Property Act, the Trade Marks Act and the Patents Act (in force as of 08.04.2005)
- Amendments to the Privatisation of Dwellings Act
- Amendments to the Planning Act

## LATVIA

### CIVIL PROCEDURE LAW

**Considerable changes in the operation of courts of arbitration**

On 10.03.2005, amendments to the Civil Procedure Law (*Civilprocesa likums*) envisaging considerable changes in the operation of courts of arbitration came into force.

From 01.04.2005, registration of courts of arbitration is not any more provided for by the Ministry of Justice, but by the Republic of Latvia Register of Enterprises, where also the already registered courts of arbitration have to reregister by 15.08.2005. After 30 September this year, resolution of disputes at a court of arbitration not registered with the Register of Courts of Arbitration of the Register of Enterprises will not be allowed.

The amendments specify development of a court's of arbitration regulations and the scope of information included therein, stipulating that the regulations should include information about procedural terms, their renewal or extension, the procedure of filing a counterclaim, postponing dispute resolution and suspension of the court of arbitration proceedings.

The amendments state that disputes related to removal of persons from residential premises, as well as disputes between an employee and an employer arisen from an employment contract, joint employment contract or internal regulations can not any more be subject to the court of arbitration.

Important changes are related to the procedure of issuing a writ of execution. A writ of execution can not be issued if the agreement of the court of arbitration is cancelled or declared invalid according to the law, as well as in cases of certain categories (on collection of money, collection of property in kind, removal of a

person and property from premises or collection of court charges), issuing the writ of execution only after expiry of the term for voluntary execution of the judgment.

**Additional information:**

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### COMPETITION LAW

**Amendments to the Administrative Offences Code of Latvia**

On 15.04.2005, amendments to the Administrative Offences Code of Latvia (AOCL) (*Latvijas Administratīvo pārkāpumu kodekss*) came into force. The AOCL is supplemented with two new Sections stipulating punishments for violations in the field of competition.

These offences are:

- 1) failure to provide information within the specified term and scope to the Competition Council after a request made by it, or provision of untrue information;
- 2) failure to comply with decisions of the Competition Council or legal requirements by officials.

The maximum punishment for legal entities for committing such violation is LVL 10,000.

At the same time the section stipulating liability for unfair competition was deleted from the AOCL. Now the liability for this offence is stipulated by Section 19 of the Competition Law – a fine of up to 5% of the net turnover for the previous financial year of the market participant who has committed such offence.

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### FINANCIAL LAW

**Law on Financial Collaterals**

On 21.04.2005 the Saeima passed the Law on Financial Collaterals (*Finanšu nodrošinājuma likums*). This Law introduces a new type of collateral for obligations that allow requiring reception of financial means or financial instruments into the Latvian system of laws. Also, the subject of the financial collateral may be either financial means or financial instruments. The key advantages of the financial collateral are:

- 1) Flexibility of the collateral – the financial collateral may be either a pledge or an instrument under repurchase or resale provisions. A number of formal requirements do not apply to the financial collateral, for instance, observation of a certain form of the agreement or registration with public registers;
- 2) Eased sale of the collateral – for example, the pledgee is allowed to

transfer the financial instruments serving as a collateral for its own benefit;

3) Immunity of the financial collateral against the insolvency proceedings – announcement of insolvency does not have a retroactive influence on the validity of the financial collateral, provision of additional collateral and change of collateral.

This Law introduces in the system of Latvian law Directive of the European Parliament and Council 2002/47/EC of 06.06.2002 on Financial Securities Agreements.

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### INSURANCE LAW

**Law on Operation of Insurance and Re-insurance Intermediaries**

The Law (*Apdrošināšanas un pārapdrošināšanas starpnieku darbības likums*) became effective on 15.04.2005 substituting the Cabinet Regulation on Operation of Insurance and Reinsurance Intermediaries. The intermediaries and legal entities for which distribution of policies is not their basic activity and who distribute policies only using their structure or upon using the press, postal and similar services have to reorganize their operation subject to the provisions of the Law by 01.05.2005.

The provisions on commercial agents of the Commercial Law can be interpreted so that they apply to the intermediaries provided they are business companies.

**Amendments to the Construction Law**

On 01.07.2005, amendments to the Construction Law (*Būvniecības likums*) take effect, which specify the obligation of contractors and constructors to insure their third party liability also against loss caused during the warranty period stated in the General Construction Regulations.

Loss caused to a third party's property is evaluated on the basis of the principle of compensation.

The procedure of third party liability insurance and the minimum liability level is stipulated by the Cabinet of Ministers.

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### REAL ESTATE LAW

**Construction – from now on licence-free business**

The Saeima has passed amendments to the Construction Law (*Būvniecības likums*), which in addition to the issue on liability and insurance in construction concern also such essential matters as:

- 1) deletion of licensing provisions;
- 2) the procedure of litigation concerning construction permits and other acts related to the construction process.

The amendments replace the procedure of licensing construction companies with a procedure of registration from 01.07.2005. In future licences for construction works will not be issued, but the construction companies will have to register in the construction entity register managed by the Ministry of Economics. Pursuant to the transitional provisions of the Law, until 30.06.2006 those construction companies that have a valid construction licence do not have to register.

The register of construction entities will be publicly available and will contain information about the company and the staff involved in construction, information about violations in construction and violations of the provisions of the register.

Disputes of a construction permit will no longer be an automatic obstacle for suspending construction works in the object. The authority or court will be obliged to notify both the issuer of the construction permit (construction board) and the recipient of the construction permit on disputing the construction permit. At the same time the construction board will not have the right to allow commissioning of the building until the authority's decision in the appealed construction permit case will have become incontestable or the court judgment will have become applicable subject to the law.

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## LITHUANIA

### COMPANY LAW

#### Business Accounting Standard on Business Combinations amended

On 28.02.2005, the Director of the Accounting Institute issued Order No. VAS-1 amending Business Accounting Standard 14 „Business Combinations“ (*Dėl 14-ojo verslo apskaitos standarto „Verslo jungimai“ pakeitimo*). Amendments provide that companies' financial statements are combined by transferring assets and liabilities at carrying amounts in case enterprises that are jointly controlled by legal persons or their group are reorganised by merging to them one or more enterprises, which after reorganisation cease to exist as legal persons, or by merging two or more enterprises into one legal person, or transferring their assets and liabilities to a new enterprise that is being established.

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### CUSTOMS PROCEDURES

#### Rules for Issuance of Permits to Declare Goods in the Zone of Another Territorial Customs approved

On 02.03.2005, the General Director of the Customs Department issued Order No. 1B-154 adopting the Rules for Issuance of Permits to Declare Goods in the Zone of Another Territorial Customs (*Dėl Leidimų deklaruoti prekes kitos teritorinės muitinės veiklos zonoje išdavimo taisyklių patvirtinimo*). The Rules establish that it is permitted to declare goods in the zone of another territorial customs, provided that:

- manufacturing, trade premises, warehouses or a subsidiary of a person are in the zone of another territorial customs;
- a person carries perishable goods indicated in the list established by the Customs Department;
- an address of the recipient of goods, the place of loading or delivery of goods, the place of display of goods in an exhibition, fair or another similar event is in the zone of another territorial customs.

Permits to declare goods in the zone of another territorial customs are issued upon a written request of the party concerned at the territorial customs in the zone where an applicant has its legal address. A request to issue a onetime permit must be examined and the permit itself issued no later than within the next business day after the filing of the request. If a person concerned files a request for a permanent permit, it must be examined and the permit issued no later than within 5 business days after filing of the request.

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### ENVIRONMENTAL LAW

#### Amendments to the Law on Environmental Protection introduced

The Parliament has adopted a Law amending and supplementing the Law on Environmental Protection (*Aplinkos apsaugos įstatymo pakeitimo įstatymas*) that came into force as of 12.04.2005. The amendments provide that in case of the presence of a real threat of possible damage to the environment, companies will immediately have to take all necessary preventive measures. In case the real threat to the environment is not eliminated, companies will be obliged to inform the Ministry of Environment or its authorized institutions regarding the presence of such threat without any further delay. Pursuant to the amendments, companies, having caused damage or threat of such damage to the environment, shall bear the costs of execution of the preventive measures and of the restoration of environment even in cases when such

measures shall be executed by the authorized institutions of the municipality or the government.

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### INSURANCE LAW

#### Instructions for Insurance Companies and Insurance Brokerages Aimed at Money Laundering Prevention approved

On 15.03.2005, the Insurance Supervisory Commission issued Resolution No. N-68 approving Instructions for Insurance Companies and Insurance Brokerages Aimed at Money Laundering Prevention (*Dėl Draudimo įmonėms ir draudimo brokerių įmonėms skirtų nurodymų, kuriais siekiama užkirsti kelią pinigų plovimui, patvirtinimo*). The Instructions are applicable to insurance companies and insurance brokerages, subsidiaries of foreign insurance companies in Lithuania and insurance companies of the EU member states that are established and/or provide services in Lithuania. Instructions provide that in case insurance companies and insurance brokerages identify that certain money operations or transaction of a client meet the criteria established in the Instructions and thus should be considered as suspicious, they must immediately suspend the suspicious operation irrespective of the value thereof. The list of such criteria, i.e. for money operations or transactions that are to be considered suspicious, is provided in the Instructions. However, the conditional indicators of these criteria must be established by insurance companies and insurance brokerages, which are subject to the approval by the Financial Crimes Investigation Agency. It must be noted that within 3 business hours from the suspension of suspicious operation insurance companies and insurance brokerages will also have to provide the information to the Financial Crimes Investigation Agency.

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### LABOUR LAW

#### Increase of minimum salary tariffs

On 04.04.2005, the Government adopted Resolution No. 361 on Increase of the Minimum Salary. Starting from 01.07.2005:

- The minimum hourly salary rate shall be LTL 3,28, whereas the minimum monthly salary for employees employed in companies, institutions, organizations regardless of the form of the ownership title, and other persons, to whom such minimum monthly salary is applied shall be LTL 550.

- For politicians, judges, state, military and civil servants the minimum hourly salary rate shall be LTL 2,57 and the minimum monthly salary shall be LTL 430.

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## TAX LAW

### A Form for Reporting on Transactions between Associated Persons or Commercial Operations introduced

On 22.03.2005, the State Tax Inspectorate issued Order No. VA-27 on Approval of the Form FR0528 for Reporting on Transactions between Associated Persons or Commercial Operations and the Regulation on Filing in thereof (*Dėl Asocijuotų asmenų tarpusavio sandorių arba ūkinių operacijų ataskaitos FR0528 formos ir jos užpildymo taisyklių patvirtinimo*). Starting from the tax period that begins in 2005, both Lithuanian and foreign entities operating in Lithuania through a permanent establishment will have to submit a duly completed report together with the annual tax return to the State Tax Inspectorate, unless during the taxable period an entity:

- has concluded transactions with related persons, the value whereof was under LTL 300,000; or
- has concluded transactions of the same type, the total value whereof was under LTL 300,000; or
- has concluded transactions of different type, the total value whereof was under LTL 300,000.

In case of the presence of the conditions listed above the entity may choose whether to file the report or not.

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### Selection of relevant acts and amendments adopted 01.03.2005-31.04.2005

- The General Director of the Department of Statistics adopted Order No. DJ-62 on the Approval of Statistical Reports on Enterprise Activities and Main Financial Indicators (in force as of 02.03.2005);
- The Director of the Communications Regulatory Authority adopted Order No. 1V-340 on General Conditions for Engaging in Electronic Communications Activities (in force with certain exemptions as of 17.04.2005);
- The Head of the State Tax Inspectorate adopted Order No. VA-26 amending the Form for Supply of Goods to Other Member States of the European Union, its Completion, Submission and Adjustment Rules (in force as of 01.04.2005);

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

## NEWS IN SORAINEN LAW OFFICES

### Recent deals

#### Advice on international syndicated loan in Latvia

The Riga office provided a legal assistance for lenders in EUR 10 million syndicated loan to the Baltic Trust Bank in Latvia. The syndicate of five banks was led by Raiffeisen Zentralbank Österreich AG, Austria. „This is the first successful international syndicated loan for this large Latvian retail bank. It reflects the need for an additional capital of the Baltic banks which are expanding their business very rapidly,” concludes partner Girts Ruda.

#### Successful court award regarding right of preemption

Senior Associate Carry Plaks has successfully advised a client in a court case related to exercising right of preemption. The court award is something of a breakthrough in the field of exercising right of preemption, because for the first time Estonian court reached the conclusion that in order to exercise the right of preemption, the sale price does not have to be deposited and due to false actions, a person can lose the right of preemption.

#### Transfer of branch in Finland as a going concern

The Tallinn office advised and drafted documents for the transfer of a Finnish registered branch from a Latvian pharmaceuticals company to its Estonian group company, which was one of the very few branch transfers where the branch as a register unit maintained its legal status as a going concern, ever made in Finland. The case was handled by partner Pekka Puolakka and associate Risto Agur.

#### MarkIT management buyout

Our Tallinn office advised successful management buy-out in the leading local internet based IT e-business MarkIT that plans to expand to the other Baltic and Eastern European countries. The team lead by partners Toomas Prangli and Karin Madisson provided support in legally structuring the buy-out as well as assisting in related corporate and financing matters.

### Interest is increasing towards Public Private Partnership

The Tallinn office is currently advising a number of private partners in the structuring and possibly implementing PPP structures. Our Tallinn office also organised a conference on Project Financing and PPP on March 17. The conference was a huge success with more than 120 delegates attending. All seats were sold out.

### Client interest in legal assistance on taxation and customs has considerably increased

During the first months of 2005, interest of Sorainen Law Offices Riga clients in legal assistance on taxation and customs has considerably increased. One of the reasons for those problems is the incomplete officials' understanding of the new extensive laws that became applicable since the accession of Latvia to the EU on 1 May 2004. Janis Taukacs, Attorney-at-Law from the Riga office, admits: "In most cases when the repayment of overpaid input tax is refused, there are problems with movement of goods, a surcharge has been calculated as a result of the audit performed by the State Revenue Service or similar problems have arisen; an active protection of one's rights pays off."

### One of the world's leading insurance companies

Our Vilnius office has assisted one of the world's leading insurance companies in establishing its branch in Lithuania. A team of lawyers, led by Senior Associate Mr. Mindaugas Lescius, had assisted the client in drafting the establishment documents, as well as in advising the client regarding the applicability of the insurance terms and conditions of the company to the Lithuanian law.

### The European Legal 500 recommends our offices

Quality of work of Sorainen Law offices has been recognised by 2005 edition of The European Legal 500 *Europe, Middle East & Africa*, a guide reporting and analysing the practices of thousands of commercial law firms in over 70 countries. Our offices are in all practice areas either highly recommended or recommended.

In particular our offices are praised for “clear, concise advice and excellent service”, “impressive resume of financial experience”, and “efficiency, quick responses and ready availability”. For further information please visit [www.legal500.com](http://www.legal500.com).

## Handbook of Baltic Business Law is published

Sorainen Law Offices in cooperation with Danish Embassies in Estonia, Latvia and Lithuania have published a 400 page comprehensive guide “Handbook of Baltic Business Law” on the legal issues encountered when doing business in the three Baltic States - Estonia, Latvia, and Lithuania. The electronic version of the publication was made available to our clients and contacts together with our Christmas card and received extremely positive feedback and high appreciation from our readers. The publication’s distribution is taken care by Danish Embassies in the Baltics.

For further info please visit <http://www.ambtallinn.um.dk/en>, <http://www.ambriga.um.dk/en> or <http://www.ambvilnius.um.dk/en>

Lawyers of Sorainen Law Offices are continuously publishing articles and other materials, which can be found on our website [www.sorainen.com](http://www.sorainen.com)

## Seminars

### Seminar on Real Estate and Construction

Sorainen Law Offices is organising a seminar on Real Estate and Construction to be held at Reval Hotel Latvia in Riga, Latvia on 20 May 2005. The professionals of the respective areas from Sorainen Law Offices and CMS Cameron McKenna, SEB Unibanka, Merks and Baltic Property Trust Asset Management will discuss in the seminar how to avoid acquisition and development risks, possibilities and challenges in real estate finance and construction projects, construction claims and tax. This year the Baltic Business Law Seminar is taking place within the 7th Baltic Economic Forum organised by LBS International Confe-

rences. For more detailed information please see our web page [www.sorainen.com](http://www.sorainen.com).

### Seminar on Dispute Resolution

Sorainen Law Offices in Vilnius organises the Baltic Business Law Seminar on Dispute Resolution on 19 May 2005 at Radisson SAS Astorija Hotel in Vilnius, Lithuania. The seminar will deal with the particularities and procedures of solving the disputes, various aspects of international arbitration, arbitration agreements in the international contracts and some legal challenges related thereto. The issues covering damages claims against the state for violation of EC law, shareholders’ disputes and other particularities of dispute settlement will be explored during the seminar by the invited speakers from Freshfields Bruckhaus Deringer, Hammarstrom Puhakka Partners, Kilpatrick Stockton, Delphi & Co as well as the speakers from Sorainen Law Offices. For more detailed information please visit our web page.

### Conference on Project Finance and PPP was a great success

On 17 March, Sorainen Law Offices together with Baltic Property Trust Asset Management and Pärnu Konverentsid and in cooperation with Deloitte, HVB Bank and Postimees (as media sponsor) organised a first conference in Estonia on Project Financing and Public Private Partnership.

In Estonia and in the Baltics in general, a type of cooperation in the form of public private partnership is not yet widespread, but hopes are high. The conference brought together experts from Europe, representatives of Estonian public sector and representatives of private sector from the Baltic States to introduce and discuss the possibilities and experiences of PPP, its risks and their management, achievements and failures in Estonia, the Baltic States and Europe. The conference was a great success and was highly valued by more than 120 participants.

### First international arbitration conference in Estonia

On 22 April, partner Renata Berzanskiene participated as a speaker in the first international arbitration conference in Estonia “Problems and perspectives of arbitration in Estonia, Latvia, Lithuania and Russia” delivering a presentation “Aspects to be Considered when Choosing Arbitration”.

### Entrepreneurship Investment Forum

Gints Vilgerts gave a lecture on “Joint Ventures Exit Strategies” at the Entrepreneurship Investment Forum organized by Connect Latvia.

### Conference on Real Estate and Construction in the Baltic States

Girts Ruda gave a lecture “Major Legal Risks in Baltic Property Development” at the conference Real Estate and Construction in the Baltic States organized by Riga Managers School.

## Employees

Senior Associate, Attorney-at-Law, Mr. **Carri Ginter** has joined the Tallinn office. Mr. Ginter worked previously in Rodi Law Firm and is a respected specialist and has extensive experience in litigation matters. He has a Master of European Law (LL.M) degree from Stockholm University. He also teaches European Law in the Tartu University Institute of Law. Mr. Ginter speaks Estonian, English, German and French.

**Lelde Lavina** has joined the Riga office. Ms. Lavina has worked previously for Baltmane & Bitans Law Firm and the Competition Council. Lelde specialises in real estate and construction matters. She has a Master degree from Riga Graduate School of Law. Ms. Lavina speaks English, Russian and Latvian.

**Vincentas Zabulis** has joined our Vilnius office as a legal assistant. Mr. Zabulis is a last year student at the Faculty of Law of Mylokas Romeris University (former Law University of Lithuania). He speaks Lithuanian, English and Russian.

## Other news

### Rosa Rotko represented Estonia in Telders International Law Moot Court Competition

Legal Assistant Rosa Rotko and her co-students from Tartu University represented Estonia in Telders International Law Moot Court Competition in Hague and achieved impressive 4th place, being the best Estonian team ever participating in this competition.