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## EUROPEAN UNION

### EU NEWS

#### Damages claim for violation of competition law

The European Court of Justice (ECJ) has recently confirmed in the *Manfredi* case that a damages claim must be available where EC competition law has been violated.

In July 2000, the Italian national competition authority declared that local insurance companies had implemented an unlawful agreement for the purpose of exchanging information on the insurance sector. The agreement facilitated an increase in premiums for compulsory civil liability insurance relating to accidents caused by motor vehicles, vessels, and mopeds. This was not justified by market conditions.

According to the *Manfredi* decision, European competition rules apply even when the effects of an illegal practice are immediately limited to one member state where the practice affects the possibility of other companies to enter the same market.

Any individual can rely on the prohibition of concerted practices or illegal agreement, claim invalidity of an arrangement or practice prohibited under Article 81 of the EC Treaty, and claim compensation for harm suffered.

The ECJ stated that if it is possible to award punitive damages on the national level, then it must also be possible to award them in actions founded on EC rules. At a minimum, injured persons must be able to seek compensation for actual loss, loss of profit, and interest.

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## ESTONIA

### IMMIGRATION LAW

#### New Citizen of European Union Act protects family members irrespective of citizenship

The new Citizen of European Union Act which entered into force at the beginning of August establishes the legal basis for citizens of the European Union and their family members staying and residing in Estonia.

#### European Union Citizen

According to the previous Citizen of European Union Act, an EU citizen was required to specify the basis for staying in Estonia: study, employment, business, or proof of sufficient legal income. According to the new Act, residence permits or resident cards are no longer issued to EU citizens, who are not required to prove the basis for their stay or residence in Estonia, except where they wish a family member to settle with them.

EU citizens may stay in Estonia (**right of stay**) on the basis of a valid travel document or identity card. No later than three months from their date of arrival in Estonia, EU citizens must register their residence, obtaining a **temporary right of residence** for five years. The right of residence is necessary for EU citizens to invite family members to settle with them, to obtain a personal identity code in Estonia, to realize rights (e.g. the right to vote), and to obtain a permanent right of residence. An EU citizen issued with a temporary right of residence must apply for an identity card within one month from issue.

After five years, the term of a temporary right of residence of EU citizens is automatically extended by five years if their place of residence is still registered in Estonia and their temporary right of residence has not expired or been terminated.

An EU citizen is entitled to **permanent right of residence** in Estonia after permanently residing in Estonia for five consecutive years on the basis of a temporary right of residence. To register a permanent right of residence, an EU citizen

## Estonia

### More protection for family members of EU citizens

## Latvia

### Council regulation on cross-border insolvency procedure now to apply

## Lithuania

### New regulation of tender offers

## Sorainen Law Offices

### Assisting in the largest A-class industrial park development in the Baltics

must apply to the Citizenship and Migration Board. After that, the Board will issue an identity card as proof of permanent right of residence.

#### Family members of EU citizens

A family member may stay in Estonia for up to three months as of the date of arrival in Estonia on the basis of the **right of stay**.

A family member who wishes to stay in a member state with an EU citizen for a longer period than three months will be issued a **resident card** that certifies the status of the family member and the right of residence.

Family members wishing to settle with an EU citizen in Estonia must apply for **temporary right of residence** within a three-month period, and may do so prior to the three-month right of stay, and prior to arrival in Estonia. To obtain temporary right of residence and a document certifying permanent right of residence, the family member must apply to the Citizenship and Migration Board or an Estonian embassy or consulate for an identity card, which certifies temporary right of residence. An identity card does not grant the holder the right to live in Estonia, but certifies that the person has the right to live there as a family member. A family member must register in the population register within one month of obtaining temporary right of residence.

Temporary right of residence can be extended for the same period as an EU citizen but no longer than five consecutive years. Family members not wishing to extend the term of temporary right of residence have to leave Estonia within two months of the date of expiry of the temporary right of residence.

A family member who has permanently resided in Estonia for five consecutive years on the basis of temporary right of residence is entitled to **permanent right of residence**. If an EU citizen obtains a permanent right of residence earlier than usual (e.g. due to retirement, work injury, or incapacity for work), then a family member on a temporary right of residence in Estonia is granted a permanent right of residence for the same period as the EU citizen. A family member with the right to reside permanently in Estonia must register with the Citizenship and Migration Board within at least one month before the temporary right of residence expires. A family member with permanent right of residence in Estonia is a permanent resident of Estonia.

Family members who stay or work in Estonia without a legal basis may be fined. The same applies to employers enabling them to work illegally.

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## TAX LAW

### Wider possibilities for obtaining tax-exempt mileage allowance

On 29.07.2006 a new regulation entered into force regulating the procedure for payment of tax-exempt allowance to compensate for the costs of using own car on work-related or service duties.

Previously, an employee had to own or lease a car. The new regulation extends to employees who use a car belonging to a cohabitee, a friend, or some other person, in work-related duties. Thus, the right of ownership of a car is irrelevant to obtaining tax exemption.

To enable payment of the allowance, a copy of the document verifying the right to use the car must be attached to the employer's decision (which can also be formalized as a directive or order).

Mileage allowance can be paid to employees and to members of the management board. The amount depends on recorded work-related trips.

If an exact register is maintained of work-related trips, then the allowance covers four kroons for every work-related kilometer driven but not more than 2000 kroons in a calendar month for each employee receiving the allowance.

If the register of use of own car on company business is only partial or no register is kept at all, then tax-exempt mileage allowance paid by the employer may cover 1000 kroons for mileage in a calendar month for each person receiving the allowance and for each car, no matter how many employers the employee is working for or how many employers use the car. In this case, confirmation from the employee (the person who receives the allowance) that no other employer pays mileage allowance or that no other person receives mileage allowance for the same car must be attached to the employer's decision to pay mileage allowance.

Amendments concerning payment of mileage allowance have also been made to the Income Tax Act. As of 01.01.2007, employers who pay mileage allowance to their employees are required by law to submit a declaration to the Tax and Customs Board on payments made during the year by 10th of April of the next calendar year. The form and completion procedure of the declaration will be established by the Minister of Finance.

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## TRADE, DISTRIBUTION AND TRANSPORT

### Wider possibilities for obtaining information in civil and criminal matters

On 16.07.2006 new legislative amendments in telecommunication area entered into force. These oblige telecommunications operators and providers of information society services to present information about users of their services to courts, investigative bodies, or the prosecuting authority. The purpose of the amendments is to ensure effective protection of a person's honor, dignity, and good name by enabling civil courts, the prosecuting authority, and investigative bodies to obtain information from telecommunications operators or information society service providers on service users who have published dubious information.

Based on a written individual inquiry from a court, a service provider is required to submit information about service users to whom they provide data recording services, in order to establish the truth on lines laid down by the Code of Civil Procedure within a deadline set by the court. An individual inquiry is an inquiry about the personal data of a service user and the fact, duration, manner, and form of publishing information by the service user in relation to a specific e-mail, electronically forwarded comment, or some other instance of telecommunication related to the sending of an individual message.

In responding to an inquiry, the telecommunications operator must provide subscription contract information, including the personal data and location of individuals sending and receiving relevant messages, information about the fact, duration, manner and form of sending, about databases describing the sending, and the database information.

Service providers need not monitor information they forward, or provide access to it, or record it temporarily in cache memory for the purpose of forwarding it, or record it for a service user, nor need they search for illegal activity.

Service providers must inform the competent authorities without delay of potential illegal activity or sending of information by a service user and enable officials to identify the provider's contractual service users.

The amendments ease collection of electronic evidence for prosecuting minor criminal offences, which was not possible under prior legislation. The amendments list specific criminal offences where inquiries can be made with telecommunications operators or providers of information society services. The amendments concern criminal offences related

to defamation of honor and good name, threats, criminal offences against minors, and computer crime. The amendments aim to enhance the fight against computer crime.

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## LATVIA

### INSURANCE

#### Upcoming edition of Insurance Baltic Legal Update

The 4th edition of the Insurance Baltic Legal Update will be issued by Sorainen Law Offices at the end of September 2006.

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### LITIGATION AND ARBITRATION

#### Council regulation on cross-border insolvency procedure is now to be applicable

On 28.06.2006 new amendments to the law "On insolvency of undertakings and companies" came into effect. These amendments finally ensure that European Union Council Regulation No.1346/2000 will be fully applicable.

Although the Regulation came into effect in Latvia on 01.05.2004, its implementation was almost impossible, so that the need soon arose to amend the existing law. New amendments provide regulations for such matters as:

- jurisdiction of cross-border insolvency procedures;
- mechanism for implementing rights of the liquidator where an insolvency procedure has started in another EU member state;
- rights of administrators of insolvency procedure in case of cross-border insolvency;
- procedure for implementing creditors' rights.

The new amendments are expected to help develop the overall commercial environment and transparency of consequences of commercial activities, since companies declared as debtors in one EU member state will also be considered as debtors in other EU member states where their property is situated. This eliminates the possibility for businesses to deal with an insolvent partner.

The amendments cover definition of a debtor - widened to include entities registered in other EU Member States -

insolvency petition procedure, and actions of persons involved in insolvency procedure.

#### New amendments to Civil Procedure Law will open the way for cross-border insolvency procedure

On 28.06.2006 new amendments to the Civil Procedure Law came into effect. These ensure applicability of cross-border insolvency procedure in Latvia. As with amendments to the law "On insolvency of undertakings and companies", the amendments to the Civil Procedure Law will ensure full applicability of Council regulation No.1346/2000 in Latvia by defining more precise functions of the court regarding examining insolvency cases. Additionally, the law simplifies the procedure for courts, debtors, and state institutions to define relevant rights in court proceedings. The effect will be to reduce administrative and procedural obstacles in examining cross-border insolvency cases.

The main aim of the amendments is to ensure that insolvency procedure is effective and to protect the legal interests of creditors even when insolvency procedure is initiated in another EU member state but the insolvent person has property in Latvia.

Note: on 01.07.2006 previous amendments to the Civil Procedure Law came into effect. According to these amendments, district (city) courts, not regional courts as previously, will now have jurisdiction over matters regarding company insolvency.

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### TAX LAW

#### Procedure for applying rules of law "On immovable property tax"

As of 28.06.2006 Cabinet Regulations No. 495 „Procedure for applying rules of the law "On immovable property tax"" came into force. The new regulations retain most of the rules of the previous regulations of the Cabinet of Ministers with the same title. The most significant change is that the new regulations implement amendments to the law "On immovable property tax", in force since 01.01.2006. Moreover, the new regulations include several rules from the methodological guidelines of the State Revenue Service "On the procedure for recording immovable property tax".

#### Draft law "Amendments to the law "On Taxes and Duties""

On 08.08.2006 the Cabinet of Ministers approved a draft law "Amendments to the law "On Taxes and Duties"". Under the law "On Taxes and Duties" currently in

force, responsibility for tax offences is very severe and to some extent does not comply with the principle of proportionality, i.e., the penalty must correspond to the seriousness of the offence.

The draft law "Amendments to the law "On Taxes and Duties"" provides for:

- implementing an effective penalty system for violating tax laws by determining flexible fines proportional to offences committed;
- implementing a uniform late payment charge for delay in paying taxes and duties;
- establishing procedures to reduce or cancel penalties where appropriate in tax administration review (audit) cases;
- defining criteria for aggravating tax offence recurrence;
- clarifying definition of avoidance of payment of taxes or duties in order to prevent VAT surplus refund fraud from the state budget;
- clarifying rules relating to compliance with procedural terms of revision (audit);
- changing provisions in relation to rights of taxpayers to clarify returns submitted to the tax administration;
- supplementing the terminology used in the law by defining tax and informative returns, tax offences, and tax penalties;
- harmonizing terminology of the Commercial Law and the law "On Taxes and Duties";
- reconsidering the threshold where the tax payer is obliged to declare cash transactions.

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### TRADE, DISTRIBUTION, AND TRANSPORT

#### Law on Guaranteeing Export Credits

On 21.07.2006 the „Law on Guaranteeing Export Credits" came into force. The law aims to promote Latvian exports. Export credit agencies have been operating for many decades, mostly as state-established companies, whereas no such institution has existed in Latvia since February 2002. The new „Law on Guaranteeing Export Credits" provides that the state will establish an institution to operate like an insurance company in transactions between suppliers of goods or services registered in Latvia and customers located in non-EU countries. The institution will provide guarantees to banks that finance transactions (much like factoring), or to exporters. Guarantees will cover commercial (insolvency or non-fulfillment of contractual obligations by the client and its guarantor) and political risks (such as actions or decisions taken by a third country that make fulfillment of export agreements impossible, or that delays

payments, decisions of Latvia or the EU limiting trade with the state of the customer, as well as wars, revolutions, earthquakes, etc.) in transactions where the period of payment for the goods supplied is at least two years. The law partially implements Council Directive 98/29/EC of 07.05.1998 and Council Directive 84/568/EEC of 27.11.1984. The Cabinet of Ministers still has to approve two projects for regulations regarding the procedure for administering guarantees and the procedure for reporting to the European Commission. Since funds for establishing the institution are provided only in the next year's budget, Latvian entrepreneurs will not feel the positive effect of this law for some time to come.

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**New opportunities for sellers, goods providers, and consumers to resolve disputes**

On 08.08.2006 new regulations of the Cabinet of Ministers No.631 "On the procedure for raising and examining consumer claims concerning goods and services not in compliance with agreement" came into force. The new regulation replaces previous regulations as of 23.03.2004 No.154, clarifies the procedure for raising consumer claims, and enforces stricter requirements for experts and expertise.

The main changes are as follows:

- longer term for service providers or sellers to examine consumer complaints (10 days, instead of the previous 3 days);
- service providers and sellers may not fix defects to goods or services without consumer consent;
- if a consumer claim does not express the wish for expertise, then provider of goods or vendor's advice to consumer to carry out expertise should be declared in written form;
- experts carrying out expertise are selected from a list available to the public. Only experts included in the list will be allowed to carry out expertise.

The new procedure will ensure more effective resolution of disputes in cases where expertise is carried out. Moreover, the longer term for examining consumer complaints increases the possibility for amicable dispute settlement.

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## LITHUANIA

### COMPANY LAW

**Amendments to Company Law and related legal acts**

On 22.06.2006 and 11.07.2006 the Parliament adopted Laws Amending and Supplementing Lithuanian Company Law.

The first amendment aims to harmonize Lithuanian legislation with the Commission Recommendation fostering an appropriate regime for remuneration of directors of listed companies (2004/913/EC), the Commission Recommendation on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC), and Directive 2004/25/EC on takeover bids.

The amendment facilitates transfer of unregistered shares. The amended Law also establishes that the General Meeting of shareholders may adopt a decision to call off shareholders' pre-emption right even when persons granted the right to purchase the company's shares are undisclosed, but only when the pre-emption right is called off due to the intention to offer the shares publicly under the Law on the Securities Market.

A consequent amendment to the Law implements Directive 2003/58/EC amending Council directive 68/151/EEC, as regards disclosure requirements in respect of certain types of companies. Thus it establishes that the company's founding agreement must include every founder's contributions made in kind (without indicating their value). According to the amendment, companies no longer have to prepare business activity reports. Instead, companies will have to prepare annual reports. Further, requirements for annual reports and audits of annual financial statements are established in the amended Law on Financial Statements of Entities, the Law on Consolidated Financial Statements of Entities, and the Law on Audits. These laws are in force respectively as from 14.07.2006 and 27.07.2006.

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### COMPETITION AND PUBLIC PROCUREMENT LAW

**Attempt to clarify regulation of concessions**

On 11.07.2006 the Parliament adopted a Law Amending and Supplementing the Law on Concessions and the Law on Local Self-Government.

The main objectives of the amendments are to clarify the definition of concession, to define conditions on management

and (or) use of the object, publicity and duration of concession agreements, peremptory conditions of concession agreements, restriction on transferring public property, the extent of financial obligations, systemic governance of concessions, control of rendering concessions, and supervision of performance of concession agreements.

The amendment also establishes that a commission must be formed to organize rendering a concession and to perform concession rendering procedures. Further, the amendment ascertains the competence of the commission and requirements for its members. The Law is in force as of 27.07.2006.

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### FINANCIAL AND SECURITIES LAW

**New regulation of tender offers**

On 22.06.2006 the Parliament adopted the Law Amending and Supplementing the Law on the Securities Market. The Law was amended in order to implement Directive 2004/25/EC on takeover bids. Accordingly, it establishes regulations ensuring protection of investor interests, and requirements for procedure on submitting and implementing tender offers.

The amended Law has been supplemented by a separate section regulating tender offers. This section includes general principles of tender offer, identical to those established in the Directive.

The amendment also establishes the procedure for providing information on tender offers. In addition, it lays down a definite list of cases where the obligation to make a tender offer does not apply.

According to the amendment, realization of a tender offer begins on the fourth working day from the Securities Commission decision to approve the circular letter. Note: the realization period may not be shorter than 14 days or exceed 70 days.

The amendments also affect price estimation of a tender offer. This may not be lower than:

(a) the price of securities purchased by the tender offer or during the last 12 months until exceeding the 40 percent vote margin, or

(b) the average weighted market price during the last 6 months that the securities have been traded in the regulated market. The legislator also establishes cases where the Securities Commission can demand amendment of the price of an obligatory tender offer.

The amendments also lay down obligations of a company whose securities are traded in the regulated market to publish a corporate governance statement in its annual report. The Law is also supplemented by a provision regulating de-listing of securities from the stock exchange. The Law is in force as of 14.07.2006.

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## INSURANCE

### Clearer regulation of activities of reinsurance intermediaries in Lithuania

On 19.07.2006 the Parliament adopted the Law Amending and Supplementing the Law on Insurance.

The most important amendments relate to regulating reinsurance intermediaries, evaluating insurance risks, and protecting insured persons' rights. Firstly, the Law on Insurance is supplemented by a section more clearly regulating the activities of reinsurance intermediaries in Lithuania and establishing the following requirements for reinsurance intermediaries wishing to engage in reinsurance mediation in Lithuania:

- reinsurance intermediaries must be registered with the Insurance Supervisory Commission;
- they must be of good repute, qualified, and have professional civil liability insurance.

Further, certain amendments relate to Directive 2004/113/EC implementing the principle of equal treatment between men and women in the access to and supply of goods and services.

Other amendments affect management of insurance companies, audit of insurance companies, and other issues. The Law is in force as of 08.08.2006.

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## PHARMACY LAW

### Law on Pharmacy came into force

On 22.06.2006 the Parliament adopted the Law on Pharmacy, which came into force on 18.07.2006, replacing the Law on Pharmaceutical Activities and the Law on Pharmaceuticals.

The main objectives of the Law are to regulate pharmaceutical practice and pharmaceutical activities, licensing, registration, put on the market and quality control of medicinal preparations and products, principles of clinical analysis of medicinal preparations under research and pharmacological vigilance, pricing of compensated medicine and medical consumables, advertising and provision of information about medicinal preparations and products. The Law is also intended to define the activities and competence of the principal state institutions administering the pharmaceutical sector. The Law also establishes simplified requirements for registration and parallel import of homoeopathic and conventional medicine.

Additionally, the Law fills in a legal gap by establishing that not only legal entities, but also branches of foreign legal entities can apply to obtain licenses for pharmaceutical activities. The Law implements Directive 2004/27/EC and Directive 2004/24/EC, both amending Directive 2001/83/EC, on the Community code relating to medicinal products for human use.

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### Selection of relevant acts and amendments adopted 01.07.2006-31.08.2006

- Law on European Cooperative Societies (in force as of 18.08.2006).
- Law Amending the Law on Provision of Information to the Public (in force as of 01.09.2006).
- Law Amending and Supplementing Articles 3, 28, 31, 34 of the Law on Audit (in force as of 14.07.2006).

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

#### Iberdrola acquires a major wind farm project

Tallinn office advised Iberdrola Energias Renovables II, S.A., a member of the world's leading wind energy group Iberdrola, in the acquisition of 80% shareholding in Raisner OÜ, a company promoting the construction of a 150 MW Lügänuuse wind farm in Estonia. After completion, Lügänuuse wind farm will be the largest producer of renewable energy in the country. The team led by partner Toomas Prangli and senior associate Paul Kunnap assisted Iberdrola in conducting legal due diligence of the target, addressing regulatory matters and providing transaction advice.

#### Legal support to the sale of TECO LINES

Tallinn office rendered Samskip, the global all-round transport company, legal advice to signing and closing the sale of 50% shareholding in Estonian based container short sea operator TECO LINES to Eesti Merelaevandus (the Estonian Shipping Company). This transaction was advised by senior associate Risto Agur.

#### Building of the largest A-class industrial park in the Baltic region

Riga office provided legal assistance to the Latvian real estate developer Rota AS preparing the necessary documentation for the new industrial park Dominante Park in Kekava district which is going to be the largest A-class industrial park in the Baltic region with 35000 sq.m. of production and warehouse premises and 3500 sq.m. of office premises. Rota AS plans to invest 130 MEUR in this project. The legal team, represented by partner Girts Ruda and associate Lelde Lavina, drafted LOI, lease, construction and maintenance agreements.

#### Advising Latvian real estate developer on construction of several multi-apartment dwelling houses

Riga office advised SIA YIT Celtniecība on legal aspects of developing a real estate located on Brīvības street 386, Riga, Latvia, by constructing three multi-apartment dwelling houses with investments around 8 MEUR. Partner Girts Ruda, associates Lelde Lavina and Janis Likops provided an opinion on legal

Please be informed that  
on 30 October 2006,  
within the 12th international conference  
"BANKING AND FINANCE  
IN THE BALTICS 2006",  
Sorainen Law Offices in Riga  
is organizing a seminar

"Getting On and Off Stock Exchange".

For more detailed information please see [www.conferences.lv](http://www.conferences.lv)

solutions for division, construction, joint usage and sale of the real estate, as well as drafted agreements on real estate division, offered initial versions of the agreements on joint usage of the real estate and sale of the apartments.

**Restructuring of public company**  
Vilnius office provided legal services to a life insurance company forming part of the Baltic insurance group in restructuring procedures. Legal assistance in changing legal form from a private limited liability company to a public company was provided by senior associate Algirdas Peksys.

**Sale of business centre**  
Partner Kestutis Adamonis and senior associate Rita Svedaite provided legal assistance to an Austrian investor in the sale of shares of a company owning a newly-erected business centre on the banks of the river Neris in Vilnius.

## ● Employees

Mr **Viljar Kahari** and Ms **Merle Saaliste** joined Tallinn office as associates. Viljar specializes in financial law as well as property law and IT law. He has extensive experience in the financial sector working for the last six years as a legal counsel for SEB Estonian Union Bank. Viljar graduated from Concordia International University Estonia (LL.B.) and is presently acquiring a Master's degree in European Studies at Tartu University. He speaks Estonian, English and Russian. Merle worked previously at a notary's office as a lawyer and substitute notary. Her key specialisations are property and construction law. Merle graduated from Tartu University Faculty of Law and speaks Estonian and English.

Tallinn office senior associate **Reimo Hammerberg** has returned from studying abroad. He obtained an LL.M. in Comparative Law at the University of San Diego, School of Law.

Mrs. **Lina Guobiene** has joined Vilnius office team as a translator. Lina graduated from Vilnius Pedagogical University with a Master's degree in English Philology. She has eight years' translating experience and has worked with legal and economic translations for the past four years, including with a business law firm. Lina is fluent in Lithuanian and English.

## ● Articles

Periodical *The Baltic Times*:

- Janis Taukacs: Hey, where should I put my old fridge?
- Mantas Petkevicius: Lithuanian real estate tax continues quest for improvement.
- Luc Nijs: Car taxation in the EU: What's the big deal?
- Konstantin Kotivnenko: Consignment stocks in the Baltics.

Articles by lawyers from Sorainen Law Offices are available on the website [www.sorainen.com](http://www.sorainen.com).

## ● Seminars

### International Conference "Insurance and Reinsurance in the Baltics 2006"

We are supporting the 10th Annual International Conference "Insurance and Reinsurance in the Baltics 2006" organized by the Latvian Insurers Association. The conference will take place on 5 October at the Hotel Radisson SAS Daugava in Riga, Latvia. Pekka Puolakka, partner in Riga office, will give a lecture on the topic "Insurance Law Update: Laws, Regulations and Court Practice". Additional information: [www.laa.lv](http://www.laa.lv).

**ISO event organized by Riga office**  
Riga office in cooperation with the Latvian Chamber of Commerce and Industry organized a Business People Night „Quality System Certificate – Vogue Only?”.

The fact that the event was very well attended (around 130 participants) shows that quality manage-

ment issues are very topical for entrepreneurs today. The following was discussed: how to make decisions on establishment, formation, certification, maintenance, and improvement of a quality management system in a company, and what a company gains from the implementation of a quality system. The floor was divided by consultants of quality management systems and auditors of certification and supervision. Companies implementing quality management systems were invited to share their experience.

### Participation in the twelfth YLEP conference

On 24-27 August young lawyers from Sorainen Law Offices together with lawyers from Denmark and Poland participated in the twelfth Young Lawyers Exchange Program (YLEP), this year organized in Sasino in Poland. The YLEP was established in 1994 by Danish lawyers Peter Tærø Nielsen and Philip S. Thorsen. The aim of the program is to select young lawyers to exchange know-how and to broaden their professional and social horizons.

### Support to Estonian Debating Society

Tallinn office supported Estonian Debating Society by hosting a debating seminar in our office premises. The aim of the seminar was to introduce international debating practice to young and active gymnasium and university students. Attorney-at-Law Carri Ginter made a short presentation on the topic "Judge vs juror in judgments of conviction".

We are pleased to inform you that  
on **27 September 2006**,  
**Aon Eesti Kindlustusmaakler AS**  
in cooperation with Sorainen Law Offices in Tallinn  
will hold a seminar

**"Liability of members of management board  
and insurance of the liability.  
Risks related to takeover operations."**

Additional information is available on our webpage  
[www.sorainen.com](http://www.sorainen.com)