

▶ As well as Globalworth, the firm advised Edened in the acquisition of Benefit Online, an extended platform for flexible extra-wage benefits in Romania. It also acted for Smithfield Foods, a subsidiary of WH Group of China, in the acquisition of Maier Com and for CTP, the largest developer and long-term manager of industrial and logistics parks in Romania and Central and Eastern Europe in its €40m acquisition of A1 Bucharest Park from Vabeld Group.

GOOD TECH, GOOD PRACTICE

Further south in the Cyprus offices of Elias Neocleous & Co, managing partner Elias Neocleous says that effective harnessing of tech is crucial for securing the future of the legal profession. The firm is putting its money where its mouth is, in developing Neolaw.ai, an artificial intelligence product offering legal document templates, document review, appointment schedules as well as knowledge sharing platforms.

Neocleous wants Neolaw.ai to ‘revolutionise the legal industry in Cyprus’, a jurisdiction he says is continuing its economic recovery. Government policy remains focused on attracting inward investment and promoting Cyprus as a bone fide modern international financial centre. He believes Cyprus, as an ‘oasis of stability’ compared with neighbouring countries such as Lebanon and Syria, is ideally placed to assist the cross-border and international, as well as local, market, not least thanks to its government’s efforts to promote the country’s legitimacy.

Recent mandates have seen the firm advise The Blackstone Group on a number of investments made through Cyprus, including its investment in Superbet, a Cyprus holding entity with subsidiaries licensed in a number of countries. The firm also advised the Zarenkov family on Cyprus corporate law issues in its disposal to Sistema PJSFC of their 25% shareholding interest in Etalon Group.

‘Cyprus is secure,’ says Neocleous. ‘The country continues to support international efforts to tackle tax avoidance and, in 2019, updated Cyprus legislation to implement the EU anti-tax avoidance directive.’ However, Neocleous cautions that the European Central Bank’s negative interest rate policy has created challenges for the banking sector, which has one of the highest liquidity levels in Europe. Following the 2013 crash, levels of commercial and domestic debt remain high, as do non-performing loans. Consequently, banks are having difficulty in reducing their deposits via the traditional route of making loans, and the strain of these negative interest rates is showing with



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banks starting to pass on the negative interest to corporate depositors. But he is, overall, optimistic: ‘Despite these challenges, the prospects for Cyprus are good, with the government and the business sector committed to offering a competitive and fully-regulated business and tax environment and a universal will to continue Cyprus’s economic revival.’

STAYING COMPETITIVE

Regional heavyweight Schoenherr shares the view that SEE will yield more opportunities in coming years. The Austrian firm’s 300 lawyers work across the territory, with offices in Bulgaria, Croatia, Czech Republic, Hungary, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia, Slovenia, Turkey, and country desks in Albania, Bosnia & Herzegovina, North Macedonia and Ukraine. ‘Around one third of Schoenherr’s overall revenue is generated in the CEE region,’ say co-managing partners Michael Lagler and Gudrun

Stangl. ‘We gain by being entrenched in the local culture of each jurisdiction, and our international expertise gives us a distinct advantage too.’

They cite environmental and data protection law as having seen the most activity in the past 12 months. ‘Companies around the world are dealing with legal questions arising from issues such as climate change, increasing numbers of investments in environment-friendly infrastructure or green financing. These are hot topics for law firms. Also, advising on how to best perform within the legal and regulatory framework provided for data protection has become a key legal service for us.’

Likewise, for Iliya Grozdanov of Bulgarian firm Dinova Rusev & Partners: ‘GDPR and anti-money laundering are the two developments that affect almost all businesses in Bulgaria,’ says Grozdanov. ‘There have also been material changes to energy regulations affecting renewable energy producers. Overall, the