



# PETERKA PARTNERS

THE CEE LAW FIRM

**NEWSLETTER**  
**July 2016**

CZECH REPUBLIC  
RUSSIA

POLAND

SLOVAKIA  
ROMANIA

UKRAINE  
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# **LEGAL NEWS**

## **CZECH REPUBLIC**

### **Register of Contracts**

As from 1 July 2016, contracts with public institutions must be published in a central register kept by the Ministry of the Interior. The failure to publish the relevant contracts will be sanctioned as from 1 July 2017, and this for contracts concluded from 1 July 2017 on.

### **Registration of beneficial owners**

Amendment to the Act on Public Registers is passing through the legislative process. If enacted, companies registered in the Czech Republic will be required to disclose, within one year, their ultimate beneficial owner.

### **Electronic records of sale**

On 1 December 2016, the Act on Electronic Evidence of sale enters in effect, which regulates system of online information for the tax authorities on all cash payments received. Following message from taxpayer, tax authority will provide a unique code for transaction.

### **Founding a simple limited liability company**

As of 7 June 2016, the foundation of a simple limited liability company is less expensive, following the requirement of the European Union to reduce the costs to EUR 100. The costs may, however, exceed this amount in practice.

## **SLOVAKIA**

### **New Civil Dispute Code**

On 1 July 2016, a new Civil Dispute Code (“CDC”) becomes effective and is expected to speed up civil disputes; it also transfers more responsibility to the parties to the disputes. The parties shall be more active and co-operative. In addition, the CDC extends the list of disputes where the parties must be represented by an attorney at law, e.g., disputes related to bankruptcy and restructuring, protection of competition, unfair competition, jeopardizing or violating commercial secrecy or disputes related to the protection of intellectual property rights.

### **New Public Procurement Act**

On April 18, 2016, new public procurement legislation implementing EU directives became effective. The new measures (e.g., simplified demonstration of qualification criteria, restrictions for letterbox companies and in-house contracts, reformulated award criteria for bids, etc.) imply rules aimed at ensuring fair competition, simplifying the tendering process and administrative burden, accelerating the processes through electronization and increasing legal certainty.

### **Electronic Collection of Laws**

Since the beginning of 2016, the electronic Collection of Laws is the binding source of all legislation in Slovakia. The Collection of Laws, in electronic form, has hence the same legal effects as the paper form, in particular, it establishes the presumption that everything that was published is known by the persons to whom it was addressed. The electronic Collection of Laws is available on the website [www.slov-lex.sk](http://www.slov-lex.sk). It contains advanced search and full-text search functions, as well as the possibility of viewing the history of (changes to) the legislation. It is optimized for smartphones and its use is free and unlimited.

## **UKRAINE**

### **Changes in protection of investors' rights**

On 1 May 2016, Law No. 289-VIII On Amendments to Certain Legislative Acts of Ukraine regarding the Protection of Investors' Rights (the "Law") came into force. The Law prescribes the responsibility of officials of economic entities in the event of damage caused to society by their illegal actions and other changes.

### **NBU restrictions regarding monetary and foreign Exchange markets in Ukraine**

The NBU adopted Regulation No. 308 on 5 May 2016 and Resolution No. 331 on 24 May 2016. In particular, the rule on the compulsory sale of funds received for the implementation of foreign investment in Ukraine was lifted as well as the procedures for issuing permits to conduct transactions in a foreign currency and for returning foreign investment were eased.

### **Introduction of attorneys' monopoly**

On 2 June 2016, the Verkhovna Rada of Ukraine adopted the Law On Amendments to the Constitution of Ukraine (Regarding Justice). At the moment, the Law has not come into force. The Law prescribes that only duly-certified attorneys may represent a person in a court. The change will apply to the Supreme Court and courts of cassation from 1 January 2017, in courts of appeal from 1 January 2018, and in local courts from 1 January 2019.

## **BULGARIA**

### **New Law On Labour Migration and Labour Mobility in Bulgaria**

The Bulgarian Parliament adopted a new law, the Law on Labour Migration and Labour Mobility which entered into force on 21 May 2016. The purpose of the law is to codify the current legislation in the field of labour migration. The law contains general rules regulating the access of non-EU nationals to the Bulgarian labour market.

### **Equality between women and men promoted with a new law in Bulgaria**

A new law, the Law On Equality between Women and Men has been published in the Official Gazette dated 26 April 2016. The law aims to ensure the equality of women and men through legislative regulation of the bodies and mechanisms for implementation of a uniform state policy.

### **New Public Procurement Act announced in Bulgaria**

On 15 April 2016, a new Public Procurement Act in Bulgaria entered into force. The law is intended to make the process related to the awarding of public procurement more transparent, predictable and effective. The administration of the process for public procurement will be predominantly electronic and will be carried out through a uniform centralized platform for public procurement.

## **RUSSIA**

### **Pre-court dispute settlement procedure has become obligatory in Arbitrazh proceedings**

According to Federal Law No. 47-FZ of 02.03.2016 it is obligatory to send a letter of complaint to the counterparty before commencing legal action in the Arbitrazh Court. The claim can be filed only after 30 days from the date of the sending of the letter of complaint. These rules are applicable for disputes arising from civil relations. Another order can be established by law or by contract.

### **Official position of the Supreme Court of the Russian Federation on liability for breach of obligations and reimbursement of legal expenses**

- If the contract contains a provision on the maximum or minimum amount of penalty, it is not an obstacle for reducing it by the court;
- Reasonableness of legal expenses on the payment of representative services cannot be justified by the reputation of the representative;
- Expenses incurred by the representative during the provision of legal services (for example, the costs of familiarization with the materials of the case) should not be reimbursed by the losing party.

### **Criteria of conferment of Russian citizenship under simplified procedure for foreign entrepreneurs, investors and professionals have been clarified**

According to Federal Law No. 124-FZ of 01.05.2016 which will come into force on 31.07.2016, foreign self-employed entrepreneurs engaged in business activities in Russia continuously for at least three years can apply for Russian citizenship under a simplified procedure if for the specified period the amount of taxes and fees paid by them annually and the insurance premiums to the Pension Fund is not less than 1 million rubles (around 13,500 EUR).

### **Administrative responsibility for violation of the rules for the engagement of foreign citizens working at construction sites**

The draft law of Federal Law No. 1015753-6 will introduce administrative responsibility for concluding an employment or civil contract with construction-site workers, which violate the regulations for the engagement of foreign workers in the Russian Federation.

## **POLAND**

### **Unified Control File to be introduced in July**

Large entrepreneurs are obliged to introduce the electronic Unified Control File (UCF) into their systems by 1 July 2016. UCF will handle their tax settlements, including VAT, as well as accounting books and tax records. New solutions are aimed at the facilitation, and the cost-cutting, of the actions undertaken before the tax authorities.

### **Better protection of trade secrets**

On 26 May 2016, the Council of the EU adopted new regulations on classified know-how and trade secrets, which should provide better protection from their illegal acquisition, use and disclosure and a simplification in regards to seeking damage claims by entrepreneurs.

### **Copyrights: only one copyright collecting agency for music in stores and restaurants**

The Ministry of Culture has decided to authorize only one copyright collecting agency (STOART) to collect fees for the music played in stores and restaurants. Prior to this decision, the fees were collected by six independent agencies.

### **New regulations on public-private partnership**

A new government legislation project regarding public-private partnership was introduced on 24 May 2016 and it assumes i.a. that concessions for construction work and services will be granted from the amount of EUR 30,000.

### **An opportunity to buy a commercial network of shops**

A commercial network of 15 shops in Pomorskie Voivodship, offering food products, household chemicals, cosmetics, etc., of an estimated value of approx. EUR 230 000, with the possibility of expansion on the basis of franchising. PETERKA & PARTNERS can provide further information, as well as represent potential clients in negotiations and further activities such as due diligence.

## **ROMANIA**

### **Law on granting in payment with respect to immovable assets**

A new law (Law no. 77/2016) applies to agreements between consumers and credit institutions, non-banking financial institutions and assignees of claims by consumers, and stipulates that, by way of derogation from the provisions of the Civil Code, the consumer is entitled to settle debts arising from credit agreements together with any accessories at no additional cost by consigning the mortgaged property in question to the creditor, provided the parties to the credit agreement do not reach another settlement within the legally stipulated timeframe.

### **New legislative framework for public procurement and concession of works and services**

The main amendments brought by the legislative package are aimed at increasing transparency in the awarding of public procurement contracts and at introducing the mandatory use of electronic means of communication in public procurement. In addition, the awarding of public procurement contracts is simplified through the introduction of the European Single Procurement Document (ESPD). Moreover, the law expressly and restrictively regulates the instances when a public procurement contract may be amended without the need to reinitiate the procurement process.

### **New administrative measures/sanctions in the consumer protection field**

The main laws on consumer protection (Law 21/1992 and Law 363/2007) have been amended in April by including new measures and sanctions to be imposed on traders for unfair (repeated) conduct. Such new measures aim to create a much more severe framework of sanctions for traders, in order to limit fraudulent behaviour towards consumers and unfair competition.

### **New conventions for the avoidance of double taxation and prevention of fiscal evasion**

New conventions for the avoidance of double taxation and prevention of fiscal evasion concluded between Romania and Italy, Norway, Bulgaria, and the United Arab Emirates respectively will produce effects starting on 1 of January of the year following the date of the last notification transmitted by diplomatic means through which the contracting states reciprocally announce that the necessary internal criteria for entering into force were fulfilled.

## **BELARUS**

### **External Labour Migration**

On July 15, 2016 amendments to the Law of the Republic of Belarus “On External Labour Migration” come into force.

For certain categories of foreigners a number of benefits have been established, rights and duties of immigrant workers and employers have been also specified, deadlines for their implementation have been set, etc. It is worth noting that a number of changes will facilitate the occupation of vacancies by foreigners who permanently reside on the territory of the Republic of Belarus.

### **Innovations in the Admission to State Purchases of Goods of Foreign Origin**

The Resolution of the Council of Ministers of Belarus from 17.03.2016 No. 206 modifies the existing procedure for the admission of foreign goods and suppliers to state procurement procedures (open tender, electronic auction, request of price offers) and allows participation in public procurement of the new foreign goods. Repeal of Ban on the Purchase and Sale of Foreign Currency on the Exchange Market. With the abolition of the Resolution of the Board of the National Bank No. 323 from 21 March 2016, entities and individual entrepreneurs are entitled to purchase and sell foreign currency on the exchange market through banks.

### **Priority Activities for Investment Determined**

In accordance with the Resolution of the Council of Ministers of Belarus from 12 May 2016 No. 372, were established the following priority activities for investment: those within investment projects approved by the President of Belarus; as well as government programmes; those which are included on the list of priority activities for investment.

## **HUNGARY**

### **Electronic litigation**

According to currently available information, as of 1 July 2016, the main communication channel with ordinary courts will be the digitalized “e-Litigation-gate”. Parties to a litigation will be obliged to exclusively submit and receive court documents in this manner. The target was to enable efficient contact relations with courts and bridge former technical and practical problems, resulting in, hopefully, accelerated and more effective court processes.

### **Amendments to the Act on the Development and Protection of the Built Environment**

The Hungarian Parliament adopted a new regulation regarding the establishment of residential buildings with a simple notification process in April 2016; it entered into force on 13 May 2016. As a result, for a smaller residential building it will be sufficient simply to upload documents to a database before beginning the construction, instead of obtaining building permits. This procedure is known as “simple notification” and shall significantly contribute to the erection of a high quantity of smaller residential houses in a simple, fast and convenient way. Whether this will have an adverse impact on the quality of the buildings built is still under discussion.

### **New rules for eSignatures**

Amendments shall enter into force on 1 July 2016, as a part of the EU directive on the legal framework at the European level for electronic signatures. The essential novelty is the principle of equivalence, which means that the legal effect and admissibility of electronic signatures as evidence cannot be refused solely on the basis of the electronic format.

# **TAX NEWS**

## CZECH REPUBLIC

### Immovable property acquisition tax will always be paid by the buyer

On 1 June 2016, the Chamber of Deputies passed a change to the Statutory Measure of the Senate On Immovable Property Acquisition Tax.

Currently, in the most frequent cases (sales contracts and exchange contracts), the tax is payable by the transferor (seller), although the parties may agree that the tax is to be paid by the acquirer (buyer). If the tax is payable by the transferor (seller), the acquirer (buyer) is liable for the unpaid tax. According to the proposed amendment, the tax will be paid by the acquirer (buyer) in all cases. Therefore, there will no longer be any choice regarding who pays the tax, and the current concept of the liability will be abolished. The tax rate of 4% of the tax base remains the same. However, the tax base calculation will be different in some cases in regards of the exchange of real property.

Other partial changes include:

- a more precise definition of the utilities infrastructure;
- an extension of the ownership right to the right to construct will be subject to tax;
- the 5-year exemption period is amended; transfers of unfinished real property will not be exempt;
- corporate transformations in the form of transfers of assets to shareholders will not be exempt.

The day of the legal effect of the registration of the ownership title in the Land Register in respect to real property recorded in the Land Register (most frequently sales contracts, exchange contracts) and the day of effect of the contract in respect to real property not recorded in the Land Register is the decisive day for the creation of the relationship under tax law (and consequently, the application of the relevant law). This means that tax liabilities originating before the effective day of the amendment (i.e., before the first day of the third month following the publication in the Collection of Laws) will be treated according to the current wording.

## SLOVAK REPUBLIC

### Act on Statutory Audit in Slovakia

A new act, Act No. 423/2015 Coll. on Statutory Audit (hereinafter referred to as “the Audit regulation”), become effective as of 17 June 2016. The Audit regulation reflects the provisions of EU directives and incorporates them into Slovak legislation.

This new Audit regulation defines, generally:

- Conditions for the performance of statutory audit services
- Registration, position and activities of statutory auditors and audit companies
- Supervision of the performance of statutory audit services
- Regulation of operations of the Slovak Chamber of Auditors
- Regulation of operations and authorization of the Audit Supervision Authority

Please see below certain topics arising from the new Audit regulation which may have an impact on the position of businesses operating in Slovakia.

### Definition of statutory audit

A statutory audit is understood as being an audit of individual financial statements or consolidated financial statements and an audit of an individual annual report or consolidated annual report, with reference to the Act on Accounting, or performed based on the decision of an accounting entity.

### List of public-interest entities for audit purposes

The Audit regulation implements a separate definition and list of public-interest entities for the purposes of the Statutory Audit Act, which differs from the one stipulated in the Slovak Act on Accounting.

### Independence of audit services/Prohibition of provision of non-audit services

Generally, an auditor or audit company must not audit a subject if they participate in any form or to any extent in the decision-making process of said subject. The Audit regulation underlines and more strictly limits the relationship between the auditor and audited company, as well as the scope of the activities/services which the auditor may provide to the subject of the statutory audit. The new Audit regulation prohibits also the provision of accounting and accounting compliance services. The scope of the prohibited services is even extended in relation to public-interest entities and large companies, where the auditor may not participate in the provision of certain tax advisory or legal services.

## HUNGARY

### Significant changes introduced to tax law affecting all types of taxes and tax procedure early June.

OECD BEPS developments urged the reshape of royalty taxation regime. Narrowed scope of IPs would give the right for tax base allowance and only for the entity where the IP is developed. Clarifications to the IFRS transition related provisions in corporate tax and local business tax (introduced in 2015) are postponed to later this year.

### New tax saving opportunities help

- employee mobility (both in corporate tax and personal income tax),
- maintenance of ancient buildings
- own R&D activities via employing university student researchers
- those supporting Hungary's Olympic Games tender (tax allowance adopted in separate act earlier).

Complete restructuring of cafeteria benefits (non-monetary benefits provided to employees) was needed due to the infringement procedure of the European Commission. The new regime slightly widens circle of tax free benefits while those with preferential tax treatment will be limited and narrowed. Applicable VAT rate for internet and restaurant services (meal and non-alcoholic drinks) decreased from 27% to 18%. Further decrease of the latter (to 5% from 2018) impaired by the introduction of 4% revenue based tourism development contribution. Huge increase in default penalties in advertising tax (nicknamed as „Facebook/Google tax“). Amendments to excise duties create simplified and fully electronic environment for excise processes while increasing tax rates in some cases. Social security rules for third country employees have also changed. New type of tax audit may review the realization of facts approved in Ministry's binding rulings. Already existing rulings may be reviewed if requested within a temporary period (until 31 July 2016) by taxpayer. In case of fail in realization Tax Authority would determine tax liabilities with the most preferential tax rates.

## POLAND

### Unified Control File to be introduced in July

Large entrepreneurs are obliged to introduce the electronic Unified Control File (UCF) into their systems by 1 July 2016. UCF will handle their tax settlements, including VAT, as well as accounting books and tax records. New solutions are aimed at the facilitation, and the cost-cutting, of the actions undertaken before the tax authorities.

## UKRAINE

### Increase to minimum monthly wage and minimum subsistence amount from 1 May 2016

The minimum monthly wage and minimum subsistence amount were increased from 1 May 2016 from UAH 1,378 (approximately EUR 50) to UAH 1,450 (approximately EUR 52).

These changes increase the maximum amount subject to a single social contribution at a current rate of 22%, which equals UAH 36,250 (approximately EUR 1,295) as of 1 May 2016.

### Liberalization of currency control rules

As of 8 June 2016, the National Bank of Ukraine changed the requirement for the mandatory conversion of revenues in a foreign currency received by Ukrainian companies from 75% to 65%. This will have a positive impact on exporters.

As of 13 June 2016, and till 14 September 2016, the National Bank of Ukraine allowed the distribution of dividends out of Ukraine to foreign investors for the FY 2014-2015 subject to the following limitations:

- In the course of a calendar month, dividends can be returned in an amount not exceeding the greater of the following two limits -- USD 1 million (equivalent), or 10% of the total amount of dividends to be returned abroad. If these 10% constitute more than USD 5 million (equivalent), the maximum amount of repatriated dividends may not exceed USD 5 million (equivalent);
- All operations on the repatriation of dividends shall be performed through one servicing bank.

Previously, the distribution of dividends was temporarily prohibited.

## RUSSIA

### Penalties for material non-compliance with financial accounting and reporting rules increased

According to Federal Law N 77-FZ of 30.03.2016, as of 10 April 2016, the penalties for material non-compliance with financial accounting and reporting rules were increased: for company officials – from 5 to 10 thousand rubles (approximately from 70 EUR to 140 EUR), for repeated violation – from 10 to 20 thousand rubles (approximately from 140 EUR to 280 EUR) or disqualification for a term from 1 to 2 years. The former penalties for such violations were from 2 to 3 thousand rubles (approximately from 28 EUR to 41 EUR).

In addition, the concept of material non-compliance was expanded. For example, the registration of a business operation which did not take place, or the registration of a sham object of accounting in the accounting registers, can be considered as material non-compliance.

## ROMANIA

### Amendments to the Fiscal Code

The amendments brought to the Fiscal Code regard local taxes and, in principle, indicate the deadlines for legal entities and natural persons that own non-residential or mixed destination buildings for submitting the building tax declarations and for paying the first instalment of the building tax, land tax and vehicle tax. In addition, benefits, such as the reduction incentive established by the local council, is provided for taxpayers who pay, in full, the building tax, land tax and vehicle tax by 30 June 2016.

## **BULGARIA**

### **Certain issues arising from the instructions of the National Revenue Agency regarding the personal use of company assets**

Under several amendments to the Value Added Tax Act (VATA) and related regulations adopted in the beginning of 2016, companies are obliged to specify the VAT treatment of the goods/services provided for the personal use of employees or the company's owner or for purposes other than those of independent economic activity. In this respect, the National Revenue Agency (NRA) published instructions regarding the personal use of company assets. Certain unclear moments in the practical application of the instructions stem from the inaccurate implementation of Council Directive 2006/112/EC in the Bulgarian VATA. Article 168a (1) of the Directive provides that the VAT on expenditure related to immovable property forming part of the business assets of a taxable person and used both for business and non-business purposes shall be deductible only up to the proportion of the property's use for purposes of the taxable person's business. In practice, any further changes in the proportion shall be regulated by an adjustment of the tax credit. Under Article 187 of the Directive, the adjustment of the deductions shall be spread over five years including that in which the goods were acquired or manufactured. In the case of immovable property acquired as capital goods, the adjustment period may be extended up to 20 years. The Directive specifies that the annual adjustment shall be made only in respect of 1/5 (or 1/20) of the VAT charged on capital goods. On the other hand, the Bulgarian VATA provides that such adjustment could be made only once (during the first tax period when the capital goods have been used for purposes different than the chargeable services) and shall affect the whole amount of the tax credit. The instructions (in contradiction to both the Directive and the VATA) recommend periodical (6-month) adjustments.

Furthermore, the instructions provide that the taxable persons shall proceed to tax adjustment if there is "relatively permanent and substantial change in the proportion between business and personal use of the asset". However, the instructions themselves do not contain a definition of what should be considered as "relatively permanent and substantial change".

The instructions also refer to the VAT treatment of the transport of employees from the place of work to home and vice versa. The tax authorities state that the organization of the transport will be considered as use for business purposes if it is provided in a way excluding personal use (e.g., by bus). This explanation leads to the understanding that transport by car will have, in any case, the characteristic of personal use. However, the court practice of the European Court of Justice on the matter specifies that what is important is not the type of vehicle but the main purpose of the transport (i.e., whether the transport was necessary for securing the business of the company or not).

## **BELARUS**

### **VAT on telecommunications services increased**

On 1 April 2016, the value added tax in respect of turnover from sales in the territory of Belarus for telecommunications services provided to a subscriber was increased to 25%. Previously, the tax rate for this type of service was 20%. This will apply to all types of telecommunications, including Internet connections and phone calls.

### **Postponement of VAT deduction**

In 2016, the 90-day postponement term for the deduction of VAT paid when importing goods from the territory of states that are not members of the Eurasian Economic Union (Decree of the President of the Republic of Belarus from 26.02.2015 No. 99 "On Charging of Value Added Tax") continues to be in force.

# **BUSINESS NEWS**

## CZECH REPUBLIC

### Plzeňský Prazdroj (Pilsner Urquell) for sale

The world's largest brewer, Anheuser-Busch InBev, has proposed the sale of all of the assets of SABMiller in Central and Eastern Europe in order to gain acceptance from the European Union for the takeover of SABMiller. Sales of brands with a significant market share is the condition for approval by the European Commission for the take-over of SABMiller for approximately \$100 billion (EUR 89 billion). Among the breweries offered for sale is the Czech Republic's Plzeňský Prazdroj (Pilsner Urquell). In addition to Plzeňský Prazdroj, other major brands such as Topvar in Slovakia and Dreher in Hungary will be up for sale. Anheuser-Busch expects great interest from potential buyers. The most likely candidate appears to be the Danish brewer Carlsberg (according to the analysis of Philip Gorham/Morningstar).

### PPF to sell its share in Czech telecommunication company O2

Bloomberg Agency wrote that the PPF Group is considering selling a stake in O2 Czech Republic. According to analysts, the aim of Petr Kellner's group is to keep the company on an important international stock index by selling part of its stake. Removal from this index might reduce the share price, and thus the value of the telecommunications company. But billionaire Petr Kellner's PPF financial group describes this as speculation and denies that PPF is currently preparing the sale of a stake in the O2 Czech Republic.

### Sale of Invalidovna Baroque building in Prague

The state is selling the Baroque building, Invalidovna, in Karlin, Prague. Invalidovna is a cultural monument and includes a built-up area and courtyard area of over 12,000 square metres and gardens of almost 10,000 square metres. The Office for Government Representation in Property Affairs (Úřad pro zastupování státu ve věcech majetkových/ÚZSVM) announced a tender. The minimum price is 637.7 million CZK (EUR 23.5 million). Offers can be made until 8 August 2016, and an auction will follow. The area is popular with filmmakers, for example, several scenes from Milos Forman's Oscar-winning Amadeus were filmed there. Until recently, Invalidovna was used as the Czech Central Military Archive.

### Spa resort up for sale in Karlovy Vary

The owners of the Imperial Karlovy Vary, the largest spa company in Karlovy Vary, have decided to offer a significant part of their business up for sale (keeping only the four-star Imperial Hotel for themselves). The Spa Resort Sanssouciis being offered to potential buyers, including the modernized four-star hotels the Green House, the Blue House and the Villa Mercedes spa centre.

The resort was bought for approximately 250 million CZK (EUR 9 million) and a few hundred million was invested in its modernization afterwards. The price requested by the owners is about EUR 1 billion.

## SLOVAKIA

### Possible sale of U. S. Steel Košice

The United States Steel Corporation is currently considering the sale of its steelworks in Eastern Slovakia: U.S. Steel Košice. The parent company, U.S. Steel Corporation (founded in 1901), is an American steel producer mostly operating in North America and Central Europe. Its manufacturing capability reaches 24.4 million net tonnes of raw steel per year. It is a leader in both the process and product technology of steelmaking.

U.S. Steel Košice is one of four research and development facilities with annual raw steel production capability of 4.5 million tonnes. The subsidiary is considering to sell its steelworks in Eastern Slovakia. Although the deal has not yet been definitely decided, several foreign companies have already shown interest in acquisition.

#### **Public tender announced by the MH Invest company in Slovakia**

In 2015, the state-owned company MH Invest was granted the status of a significant investment for the construction of the development of a strategic park – which aims to ensure land and construction in the public interest. The announced public tender is assigned for landscaping the Nitra industrial park, where the car manufacturer Jaguar Land Rover is building a factory. The estimated cost of the work, planned to take five months, is EUR 110 million. Applicants can submit their offers until July 5 2016.

## **UKRAINE**

#### **Project for construction of a new sea transshipment complex**

A construction project for a new sea transshipment complex is open for applicants in the Mykolayiv region. A 50% majority share is proposed in this investment, which is currently in the stage of a start-up project. The total area of land is more than 125ha, with more than 65ha of water territory included. Access to the sea is available with a total depth of waterfront up to 12.8m and total length of the waterfront of 2,000m. The complex consists of the following territory: territory for sea terminals, territory for dry port, industrial territory (e.g., for an oil extraction plant). The payback period for the investment is expected to be from 3 to 5 years.

#### **Ukrainian retail bank with positive credit and deposit rating for sale**

A full-service retail-market bank is being offered for sale. Its network includes more than 20 branches and outlets, and ATM and Payment Terminals/Boxes in major cities in Ukraine. Brief financial indicators: the total equity is more than EUR 30 million, the total assets are more than EUR 89 million and the loan portfolio is more than EUR 53 million. The asking price is almost EUR 22 million.

#### **Sale of Ukrainian drilling company with valid permits for gas and condensates**

Permits were obtained by the drilling company in the following areas: for subsoil use on each field of deposits, industrial development, for the implementation of gas by non-regulated rates to the end user and for activities in the role as a trader. There are two deposit fields/areas with more than 10,000 million m<sup>3</sup> of gas and more than 3,000 tonnes of condensates in reserves. Current exploitation consists of three wells with a capacity (daily basis) of more than 10 thousand m<sup>3</sup> of gas and more than 10 tonnes of oil for the first, more than 15 thousand m<sup>3</sup> of gas and more than 0.5 tons of condensate for the second, and more than 0.05 thousand m<sup>3</sup> of gas and more than 0.25 tonnes of condensate for the third well. The asking price for the drilling company is EUR 26 million.

## **BULGARIA**

#### **Tender for renewing the water and sewerage systems in municipalities to be announced soon**

There are eight unfinished projects from the previous period and the budget for all of them is 234 million leva (around EUR 120 million). Moreover, nine new projects have been agreed upon for an early realization in the amount of 402 million leva (EUR 205.5 million). Five more projects for the renewal of the water infrastructure in the amount of 117 million leva (around EUR 60 million) will be announced as well. The tenders, together with the deadlines for the applications, will be announced soon according to the Ministry of Environment.

### **A new tender for part of the Hemus highway is about to be announced**

The public procurement for the road between Yablanitza and Boaza will be opened in few days. The expected amount is 90 mln BGN (approximately EUR 46 million) and the project will be financed with means from the public budget. The expected term for performing the procurement will probably be 32 months.

## **RUSSIA**

### **Hyperloop to Build “New Silk Road” in Russia**

The U.S. company Hyperloop is planning to construct a “new Silk Road” passing through Russia, the Reuters news agency reported Tuesday. Hyperloop co-founder and executive chairperson Shervin Pishevar said in a press release that the road would be used to deliver cargo from Europe to China. Pishevar attended the St. Petersburg International Economic Forum 2016 to sign a cooperation deal with Moscow authorities and the Summa Group, a company which invests in infrastructure projects. Moscow officials are planning to use Hyperloop technology to build new transport links between the city’s airports, and the capital’s centre and rapidly expanding suburbs. The Hyperloop system – a project based on the ideas of tech billionaire Elon Musk – is designed to propel futuristic carriages carrying passengers or cargo on cushions of air. The trains would work in a system of airless tunnels, potentially reaching speeds of up to 1,200 kilometres per hour. Tests began in the United States in May.

## **POLAND**

### **Naspers is considering selling its online auction website – Allegro**

Naspers, a broad-based multinational internet and media group and the largest African company by market value, is planning to sell Allegro, its Polish online auction website. Allegro is similar to the U. S. website eBay and it is the No. 1 e-commerce platform in Eastern Europe, with more than 14 million monthly users. Its value could reach up to EUR 2.6 billion. The process is in its early stages and it is not clear yet whether the sale will actually take place.

## **ROMANIA**

### **Sale of Romania’s number one ski resort – Silver Mountain**

This investment opportunity was announced by the Romanian Commercial Bank (BCR), the owner of Silver Mountain Resort. The property is up for sale and represents an opportunity for foreign investors to consolidate their position or to make their debut in the CEE arena. This investment opportunity is a mixed-use holiday centre called Silver Mountain, located in Poiana Brasov, considered to be one of the most popular Romanian ski destination, which attracts tourists from all over the country, as well as from other countries in Europe.

### **Tender for the Vidraru hydro power plant refurbishment**

Hidroelectrica has launched an auction for a huge contract envisaging the refurbishment of the Vidraru hydro power plant, in the amount of EUR 98.4 million (VAT included). The auction is taking place in the same year that the 50th anniversary of this important hydro power plant in Romania is being celebrated. It is estimated that the work will take more than four years (i.e., approximately 56 months) and the requests for accessing the documents for the tender must be submitted by 25th July, while the deadline for the submission of bids is 1st August. The offers must be maintained for a period of 180 days from the deadline for submission. Companies interested in participating in the auction must submit a guarantee of RON 4.5 million (EUR 1 million).

The contract implies several complex types of work: installation of the entire mechanical, hydro-mechanical and electrical equipment of the hydro power plant, as well as the integration of the already modernized facilities. Also required, according to the procurement data sheet, are expertise services, design and engineering for each technical unit functioning as part of its investment objective, project management activities consisting of coordination of the work, procurement services, manufacturing, delivery, testing and commissioning, in view of completion of a complex contract for refurbishment.

## **BELARUS**

### **44% of Belarusian-German venture MAZ-MAN's shares up for sale**

The Minsk Automobile Plant (MAZ trademark) intends to sell 3,009 shares (44.4% of the charter fund) in the Belarusian-German joint venture MAZ-MAN to third parties. The package of MAZ-MAN shares is priced at \$1.808 million (EUR 1,6 billion). The buyer can pay by installment within six months in equal shares. Payment before the deadline is an option. The shares will be transferred to the depository account of the buyer once MAZ has received 100% of their price

### **Belarus offers to implement investment project for wood pellet production**

Belarus offers investors the chance to take part in an ambitious project — the construction of a wood pellet plant with an associated cogeneration plant on the basis of Ivatsevichdrev. This proposal is a profitable investment for the development of foreign business in Belarus. This project will produce products and receive proceeds amounting to approximately \$23 million annually (EUR 20,5 mil). The project is export-oriented.

### **The Government of Belarus has decided to sell a minority stake in Belarusbank**

Belarus has established a working group that will prepare the sale of a minority stake in the largest state bank of Belarus - Belarusbank. The offer must be prepared by 1 November 2017.

## **HUNGARY**

### **CIB GROUP selling 29 Hungarian properties as one package**

The CIB GROUP is selling a bundle of Hungarian real estate, consisting of 29, mostly residential, properties. The bank will give a good discount for the complete package of properties. Otthon Centrum Solutions Kft., on behalf of CIB GROUP, is offering the properties at a discount price of HUF 94,000 per square metre. According to the press release, CIB GROUP made a decision to sell the properties in the form of a package deal in response to a pick-up in property market demand, and it expects to launch similar special offers in the future.

“If the investor intends to resell the real properties one by one for a profit, in addition to the package discount, the expected appreciation will also contribute to a higher profit,” said Otthon Centrum’s head of business development, Tibor Nagy.

According to the press release, the entire package -- 11 buildings in Budapest and 18 situated in Northern Hungary -- is in the possession of the bank group. The portfolio includes only properties which are free and clear of all liens, claims and encumbrances, with clear title.

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## CZECH REPUBLIC

Karlovo namesti 671/24  
CZ – 110 00 **Prague 1**  
T.: +420 246 085 300  
E.: [marek@peterkapartners.cz](mailto:marek@peterkapartners.cz)

## SLOVAKIA

Kapitulska 18/A  
SK – 811 01 **Bratislava**  
T.: +421 2 544 18 700  
E.: [butasova@peterkapartners.sk](mailto:butasova@peterkapartners.sk)  
[makara@peterkapartners.sk](mailto:makara@peterkapartners.sk)

## UKRAINE

40/85 Saksahanskoho St.  
UA – 01033 **Kyiv**  
T.: +380 44 581 11 20  
E.: [timchenko@peterkapartners.ua](mailto:timchenko@peterkapartners.ua)

## BULGARIA

96, Georgi S. Rakovski  
BG – 1000 **Sofia**  
T.: +359 2 984 11 70  
E.: [peev@peterkapartners.bg](mailto:peev@peterkapartners.bg)

## RUSSIA

Armyansky pereulok 1/8 - 3  
RU – 101000 **Moscow**  
T.: +7 499 754 01 01  
E.: [rudnitskiy@peterkapartners.ru](mailto:rudnitskiy@peterkapartners.ru)  
[tarnovskaya@peterkapartners.ru](mailto:tarnovskaya@peterkapartners.ru)

## POLAND

Śniadeckich 10  
PL – 00-656 **Warsaw**  
T.: +48 22 696 72 01  
E.: [bielinski@peterkapartners.pl](mailto:bielinski@peterkapartners.pl)  
[ploskowicz@peterkapartners.pl](mailto:ploskowicz@peterkapartners.pl)

## ROMANIA

33 Aviatorilor Blvd, 1st District  
RO – 011853 **Bucharest**  
T.: +40 21 310 48 82  
E.: [aron@peterkapartners.ro](mailto:aron@peterkapartners.ro)

## BELARUS

Pobeditely Avenue 103, suit 1303  
BY – 220020 **Minsk**  
T.: +375 17 236 47 11  
E.: [zikratski@peterkapartners.by](mailto:zikratski@peterkapartners.by)

## HUNGARY

Apáczai Csere János utca. 11  
HU – 1051 **Budapest**  
T.: +36 1 235 10 90  
E.: [illes@peterkapartners.hu](mailto:illes@peterkapartners.hu)

[www.peterkapartners.com](http://www.peterkapartners.com)