

# PONTES: the CEE lawyers

## news quarterly

deals, cases, law and market developments October – December 2019

### Recent transactions\*

**HU** OTP Digital Private Equity Fund sought our advice on the acquisition of an 11% stake in a start-up with a transaction value of EUR 700,000 and asked us to draw up the company's new syndicate agreement. As part of the deal, OTP provided EUR 1m as a convertible loan to support major technological development.

**AT** We acted as Austrian counsel for **Borealis AG**, a long-standing client in corporate finance and M&A, in a large volume US Private Placement to US institutional investors.

**BG** We advised **Jiangsu Sunshine Group**, one of the biggest textile manufacturers in China, on the update of collaterals securing a EUR 4.8m loan in favour of China Development Bank provided for the development of a 25 MW PvPP.

**RO** We advised shareholders of **Ecofarmacia Network SRL** on the sale of 33 pharmacy units located in Transylvania to Help Net, a member of Phoenix Group, while also coordinating and advising on the agreement with the financing bank of the sellers' group.

**SK** We advised **Finportal**, one of the largest insurance and financial products broker in Slovakia, on the entry of a strategic investor – a well-established financial group – into the company. Due to Finportal's market share, the transaction was subject to antimonopoly approval.

**HU** We assisted **Renesola Group** in the sale of two holding companies, which held direct stakes in seven subsidiaries developing and constructing 15 MW (DC) photovoltaic power projects in Hungary, to a Danish private equity investor with which we conducted complex negotiations.

**BG** **Hareon Solar Technology Co., Ltd., China** consulted us on the update of collaterals securing a EUR 95m loan in favour of China Development Bank provided for the development of a 50 MW PvPP.

**SK** We assisted **Minit** on a unique and highly complex transaction related to the flip of a holding structure from Slovakia to the Netherlands, which needed to be closed in both jurisdictions on the same day. The deal involved an alignment of in-kind contributions under Dutch law accompanied by a share transfer under Slovak law as well as coordination with investors from five different jurisdictions.

**CZ** We advised **Nation 1**, a Czech-based venture capital firm focused on investing in seed-stage start-ups operating in the Czech Republic, on a number of investments. Nation 1 seeks to invest in fintech, insurance tech, artificial intelligence, customer tech, e-commerce and the travel sector.

\* only selected transactions are presented; a full list of our publishable transactional experience is available upon request.

Members of PONTES are:

**AT**  graf patsch taucher

**BG**  **Gugushev & Partners**  
LAW OFFICE

**SK**  **MAJERNÍK & MIHÁLIKOVÁ**  
ADVOKÁTSKA KANCELÁRIA | LAW FIRM

**PL**  **SOLIVAN.**

**RO**  **JINGA ASOCIATII**

**HU**  **Pontes Budapest ügyvédi iroda**

**CZ**  **JSK**  
advokátní kancelář

# Recent cases and notable legal developments

**AT** An amendment to the Austrian Act on the Ultimate Beneficial Owners Register came into force on 10 January 2020. In the future, anyone will be able to obtain an extract from the register for any legal entity. A notification will now be required at least annually, even if there were no changes in the registered data. Anyone providing an incorrect or incomplete notification or failing to register a change in the data within four weeks shall have committed an offence punishable by a fine of up to EUR 200,000.

**BG** An amendment to the Tax and Social Insurance Procedure Code was adopted in December 2019, transposing into Bulgarian law Council Directive (EU) 2018/822 of 25 May 2018, amending Directive 2011/16/EU with regards to the mandatory automatic exchange of information in the field of taxation related to reportable cross-border arrangements. A new mechanism was introduced requiring all tax consultants to provide information on cross-border tax arrangements in cases with a potential risk of tax avoidance.

**SK** The Supreme Court of the Slovak Republic rendered decision 1Obdo/22/2018, confirming that a shareholder may vote on a shareholders' per rollam resolution via electronic means, provided that the shareholder signs the ballot document using an electronic signature. This makes it much easier for companies with foreign shareholders to adopt corporate decisions.

**PL** The Polish Energy Regulatory Office held renewable energy auctions in December 2019. Approximately 2.2 GW of wind farm projects (cut-off price EUR 54/MWh) and 0.75 GW of ground-mounted solar power projects (cut-off price EUR 76/MWh) were awarded a 15-year contract for difference premium. Renewable energy auctions will continue in 2020, as the Polish government has finally become determined to change its energy mix which due to its high share of coal energy currently provides to the highest wholesale prices in Europe.

**CZ** The Chamber of Deputies approved the expected draft of an extensive amendment to the Business Corporations Act and other related acts. The amendment introduces changes in the corporate governance of capital companies, including issues of performance, establishment and termination of statutory board members, distribution of equity, the monistic system of internal management of joint-stock companies, and ensuring greater protection of shareholder and third-party rights. It also seeks to clarify a number of legal and technical provisions. The text of the bill was delivered to the Senate and is now subject to its approval. Effectiveness is scheduled for 1 January 2021.

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## PONTES NEWS

**PL** Solivan Pontes is the main legal partner of the 2020 Solarplaza conference focusing on large-scale solar power investments in Poland and CEE. The conference will take place on 7 May in Warsaw. Please contact us in case you would like to attend <https://poland.thesolarfuture.com/>

**BG** Stefan Gugushev, the Founder and Managing Partner of Gugushev & Partners Law Office, the Bulgarian Office of PONTES, was elected as a member of the Executive Committee of European Family Businesses (EFB). He has been the President of the Family Business Network Bulgaria since 2018 and his appointment by the General Assembly of the European Organisation to serve in its Executive Committee is a great honour and recognition of his commitment to represent the interests of family businesses at the EU level.