

PONTES: the CEE lawyers

news quarterly

deals, cases, law and market developments July – September 2020

Recent transactions*

PL We assisted German developer PNE in the acquisition of a 50 MW wind farm project awarded at RES 2019 auction.

CZ We represented R22 Group, a Polish webhosting and digital communications holding, in the acquisition of a 100% stake in the Czech company ProfisMS in an auction process, including due diligence.

BG We acted as the Bulgarian counsel to several initial purchasers represented by Barclays Capital Inc. in relation to the USD 750 million notes offering by Sensata Technologies, Inc., USA, guaranteed by certain guarantors, among which is its Bulgarian affiliate.

PL We advised UK investment fund Catalyst Capital on the refinancing of Nobilis Business House, an A1 office building located in Wrocław, by Deutsche Hypothekenbank.

AT We advised the state-owned Bundesimmobiliengesellschaft mbH (BIG) and one of its development subsidiaries, Grutschgasse 1-3 GmbH, the largest real estate owner/manager in Austria, in relation to a EUR 20 million development of a large area south of Vienna. The development is in its final stage, requiring the demolition of a former police academy building, and is to be finalised in 2021.

SK We represented Proer and its founders in an investment by Crowdberry Venture Capital Fund.

SK We advised Citadelo ethical hackers on the entry of a strategic Swiss investor.

HU We provided legal support to OXO Technologies Holding in connection with its venture capital investment in a Delaware-based target company, a provider of cybersecurity solutions for webhosting companies, via capital increase and exchange of shares.

PL We supported leading Polish residential developer Terra Casa in the financing of a premium residential project in Warsaw by mBank S.A., a subsidiary of Commerzbank AG.

CZ We advised the shareholders of the engineering company TKZ Polná in connection with its sale to the Rose Group in a competitive auction process.

SK We assisted KS Solutions in the transfer of shares in NG Aviation to Lighthouse.

* 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
L A W O F F I C E

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 In July 2020, the Investment Control Act (ICA), a revised Foreign Direct Investment (FDI) screening act, entered into force in Austria. The ICA also implements the requirements of the EU Foreign Investment Screening Regulation. The cooperation mechanism of the ICA will take effect on 11 October 2020, at the same time as EU Regulation 2019/452. Under the ICA, a mandatory filing requirement is triggered for certain highly sensitive industries if foreign investors (i.e. non-EU, non-EEA or non-Swiss individuals or entities) intend to make an investment in an Austrian undertaking. This includes (i) the acquisition of shares totalling or exceeding 10%, 25% or 50% (voting rights), (ii) the acquisition of control, and (iii) the acquisition of essentially all or all assets of an undertaking (asset deals). The ICA provides for a start-up exception (less than 10 employees and annual turnover or total assets of less than EUR 2 million). The 10% threshold applies to investments in particularly sensitive sectors such as defence equipment and technology, critical energy infrastructure or critical digital infrastructure (e.g. 5G infrastructure). The obligation to notify rests primarily with the buyer but the ICA also implements a reporting obligation for targets. Parties to a transaction may also request a non-jurisdiction letter from the relevant authority to have confirmed that a certain transaction is not subject to the approval requirement. The ICA has considerably expanded the scope of the previous regime, a much broader range of FDI will now trigger the screening process.

CZ The most extensive amendment to the Business Corporations Act since 2012 will enter into force in the Czech Republic on 1 January 2021. Besides a number of technical amendments, it will bring changes to the distribution of profits and other capital funds, liberalise the possibilities with respect to classes of shares, significantly modify the monistic model of the management of joint-stock companies, and amend the responsibilities of members of statutory bodies and the method of their remuneration. These are various other changes that will affect virtually all legal forms of business corporations.

BG To support various businesses during the coronavirus pandemic, the Bulgarian National Assembly introduced a reduced 9% VAT rate to a wider range of products and services in the summer of 2020. All of the changes were implemented as of August and apply to the following goods and services: (i) supply of paper and e-books; (ii) restaurant and catering services; (iii) certain baby products; (iv) tour operator services; and (v) use of sport facilities. This reduced VAT rate is planned as a temporary measure applicable until 31 December 2021.

HU The Hungarian Energy Office announced its second tender for the provision of support to power plants producing electricity from renewable sources in the contract for difference regime called METAR. The limits of the green-premium-type eligibility to be allocated within the tender are HUF 800 million new support per year and 390 GWh electricity per year. The maximum size of one installation was also increased to 50 MW (AC). Applicants can submit their tender documents from 15 September to 15 October 2020. PONTES Budapest is advising several international and local PV investors and is providing legal support during the METAR tender procedure.

PONTES NEWS

BG Antoniya Markova has been promoted to Head of Public Procurement and Labour Law. An attorney-at-law with more than 10 years of professional experience, she has established herself as a versatile specialist on a wide range of legal issues in labour and social security law, public procurement, real estate and construction law, administrative and public law as well as civil and administrative litigation. Ms Markova operates from both the Sofia and Brussels offices of Gugushev & Partners due to the high volume of projects related to close communication with European institutions.

