

# Testing Times for Professional Cohesion



All participants drew attention at the unique and friendly atmosphere of the Forum

**A**fter the tragic events in Ukraine and annexation of Crimea, this year the traditional CIS Local Counsel Forum moved outside the CIS region for the first time ever. Instead of Sochi the 9th venue was held in Vienna on 27-29 June.

The cultural and networking program of the Forum included Joint Gala Dinner with the Balkan Legal Forum at Palais Ferstel, Big Ferstel Saal, and Folk Dinner. Forum's Social Responsibility Initiative was aimed at supporting orphanages in Eastern Ukraine.

## Unique combination

During the showcasing of the host country, Austrian lawyers stressed that their country became a natural regional hub for CEE and CIS business. Indeed, Austria is known for being "the best combination of traditional and modern". At the same time, the modern approach of Austrian economic policy is based on targeting innovation and sustainability for reaching economic growth.

Talking about the role of Austria in the jurisdiction, Dr. **Willibald Plessner**, partner of **Freshfields Bruckhaus Deringer** in Vienna, noted that the global heavyweight is considered to be a pioneer in the region. Moreover, Vienna is an arbitration center that is a fast growing practice at Freshfields. At the same time, given that Austria is a gatekeeper to Eastern Europe, due to the economic crisis Austria has lost the benefit of booming in the CEE.



Folk Dinner

The panelist also agreed that the recently signed Association Agreements between the EU and Georgia, Moldova and Ukraine, would definitely be an indicator of how flexible the EU is.

## Regional realities

The traditional regional update panel covered CEE and Central Asia Region.

**Petr Avakyan**, senior partner of **COUNCIL Law Firm** (Tashkent), reported on certain measures undertaken in Uzbekistan in order to improve its investment climate. The recent changes to the *Commercial Procedure Code* envisaged that all uncertainties are interpreted in favor of business entities. The country succeeded in improving its investment legislation. As an example, the registration of entities with foreign investments passes according to the "one-stop-shop" principle. The government went

further and simplified and canceled numerous permits, licensing for certain types of activities and duties.

**Nariman Ramazanov**, managing partner of **FINA** law office (Baku), stressed that in addition to being the fast developing economy among CIS states, Azerbaijan enjoys long-lasting political stability, which is very important for foreign investors. The country experiences a huge inflow of investments in the oil and energy connected sectors, agriculture, and infrastructure. And again, foreign investors are given favorable regulatory frame to legalize their legal presence in Azerbaijan in just two working days. Another simplification concerns introduction of different electronic services. The country recently signed an agreement on simplification of visa regime with the EU.

**Liliya Vlasova**, senior partner of **Vlasova, Mikhel & Partners** (Minsk),



stated on the absence of structural reforms in Belarus. “The state sector constitutes almost 70% and privatization is in sleep mode”, she said. Among the recent changes are the adoption of law on mediation and finalization of reform of advocacy. The advocates received monopoly on representing clients’ interests in courts. The issue of benefits from the customs union for Belarus revealed to be controversial — no positive for business yet, Mrs. Vlasova admitted.

**Sergey Pepeliaev**, managing partner of the Russian market heavyweight **Pepeliaev Group**, emphasized on application of judicial precedents as a source of law. “The process of de-offshorization gives work not only to Russian but also lawyers in the Netherlands, Luxembourg, Austria, etc. The Parliament is considering a series of laws”, he said. Plenty of legal assignments followed in this regard, especially restructuring of business and ownership models. Furthermore, the enactment of several sections of the new *Civil Code* is proceeding gradually. Mr. Pepeliaev

announced a strategic step of his firm to amalgamate with Russin and Vecchi international law firm, in order to expand its presence for Siberia and Far East regions.

The Ukrainian update was given by the Forum co-chair, **Irina Paliashvili, RULG-Ukrainian Legal Group**. “The key word is Reforms — all with capital letters”, she said, commenting on the situation in the country. Unfortunately, every year the news on the investment climate is getting worse and worse. Government institutions provided their policies to serve a narrow circle of the “elite” close to the former president in power that leads to the biggest monopolization and concentration of big businesses in one pair of hands. “The whole system is so bad now that it should be completely thrown out and replaced with a modern comprehensive structure. A little bit close, as was done by Georgia”, Mrs. Paliashvili said. Given the huge pressure from civil society, the only way is “Instead of adjusting to reality, we have to change the reality by ourselves”.

### Legal infrastructure

Moderating the panel on legal infrastructure industry, **Nick Eastwell**, London consultant of **Kinstellar**, underlined that the importance of its every dimension has grown dramatically.

Commenting on the situation around PR on the Ukrainian legal market, **Olga Usenko**, head of research programs at **Yuridicheskaya Praktika Publishing**, said that lawyers are getting more and more involved in various social initiatives. She agreed with Irina Paliashvili on the point of active engagement by young professionals in the reforms process. As a result, PR is becoming a logical consequence of these activities and just a fantastic expert positioning instrument. “In my opinion, this trend could evolve into development of so-called GR on civilized principles”, she noted.

**Kristina Vengrinyak**, deputy editor-in-chief, **Liga:Zakon**, paid attention to the

trend of mobile marketing in Ukraine. Law firms use mobile applications for promoting their services, business development opportunities and in their everyday work.

**Hermann Knott**, partner at **Luther Rechtsanwaltsgesellschaft mbH** (Cologne) admitted that lawyers definitely require professional consultancy. “Of course, in our business we see what other firms do but market comparison can only be done by consultants, who know and serve many firms”, he said, adding that his firm went through the rebranding process with two consultants. The process takes lots of time because an outside consultant really needs to know the interests and the strategy of a law firm. “Because it is so difficult to differentiate law firms the consultants who know the market could be very helpful. The key thing is to establish efficient communication in order not to lose a lot of value in this process”, the speaker said.

According to **Oleksandr Padalka**, partner at **Sayenko Kharenko**, the good standing of legal directories is important for suggesting its services perspective. “Obviously, a prepared submission is a very important task for a law firm”, he mentioned. Meanwhile, the number of practice areas observed for Ukraine has grown significantly.

Mr. Knott considers the directories to be a very good starting point in finding lawyers. “You need to differentiate the quality of the legal directory. I am hesitant if I have to pay for an entry”, he said.

As a concluding remark, Nick Eastwell summed up his view on needing to apply marketing and PR instruments accurately, depending on initial tasks, projects and every single situation.

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The Georgian capital of Tbilisi was announced as the next hosting capital of the venue. After that, the Forum will become one of the regional forums of the International Bar Association.

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