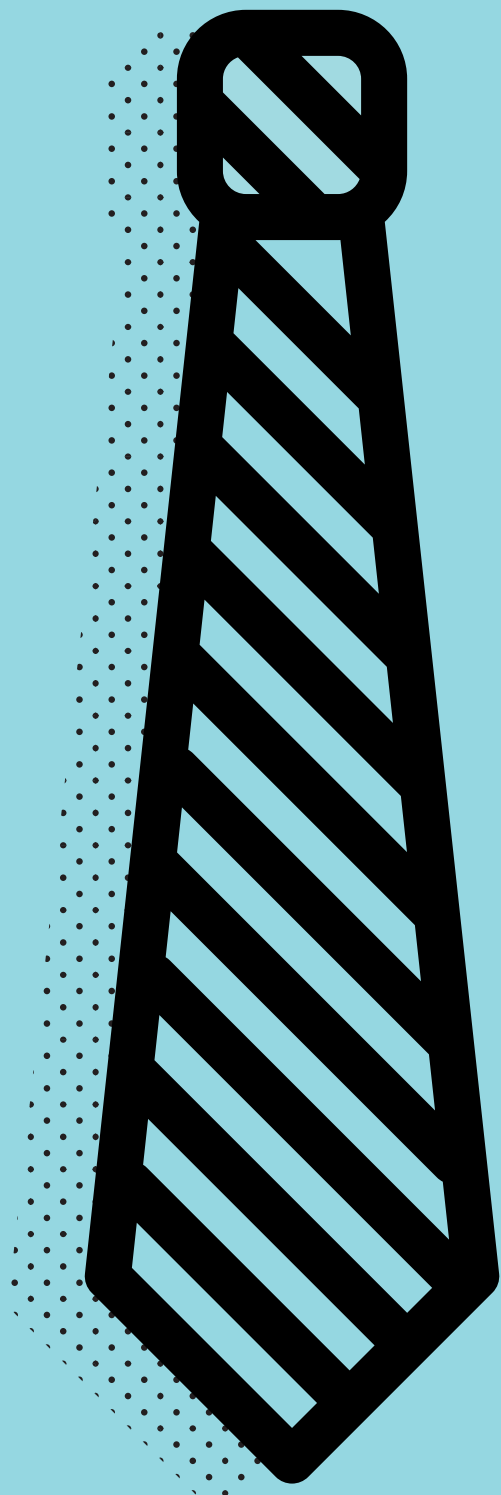
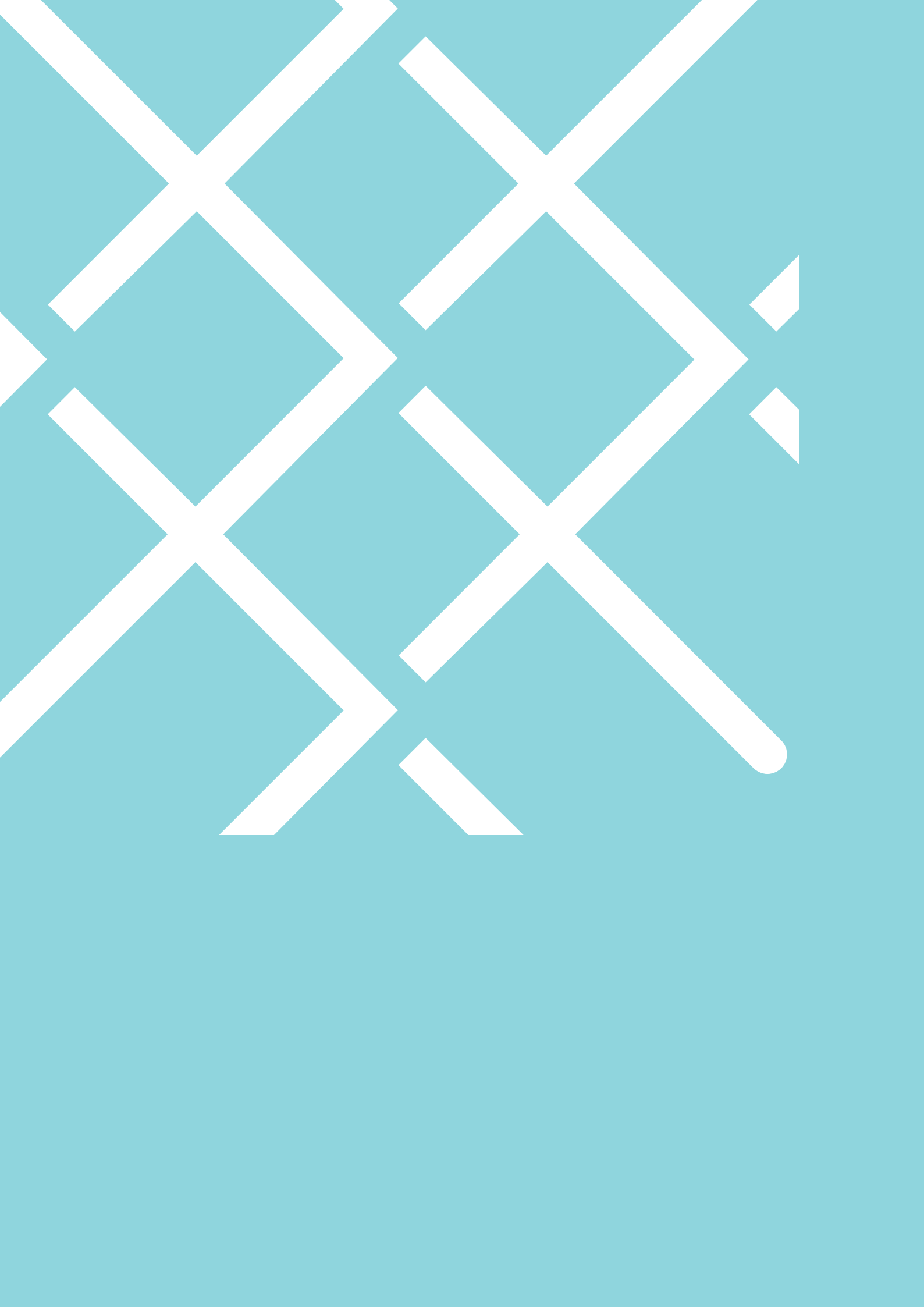




sela
south east legal alliance

Corporate & Commercial





What we do

Corporate & Commercial

SELA - South East Legal Alliance
November 2018

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01

Specialist Approach

SELA provides the full range of corporate and commercial services on a multi-jurisdictional basis. We combine excellent transactional skills with specialist expertise including antitrust, employment, environmental, intellectual property and tax, which gives us the capacity to handle complications and issues that can arise in a corporate transaction.



02

Services and Advisory

Company Law

Doing business in the countries of South East Europe can be challenging. To be successful, a company has to effectively manage corporate risk, bridge cultural differences and adhere to local regulations. SELA takes an integrated approach to corporate law advisory by combining strong commercial skills in ancillary areas at a regional level. Our advice is always tailored to the commercial needs of our clients to help them manage daily business, support expansion efforts and successfully manage their regional operations.

Our Services

- Company incorporation, dissolution and changes in corporate form
- Cross-border transfer of business
- Contracts
- Corporate governance
- Corporate reorganizations
- Domestic and cross-border corporate transactions, including mergers, acquisitions and joint ventures
- Day-to-day corporate housekeeping
- Corporate legal secretarial services

What you need to know



Free trade agreements

ALBANIA

- Stabilisation and Association Agreement (SAA) EU and Members States
- Central European Free Trade Agreement (CEFTA)
- Turkey
- European Free Trade Association (EFTA)

BOSNIA AND HERZEGOVINA

- Central European Free Trade Agreement (CEFTA)
- Free trade agreement with Turkey
- Stabilisation and Association Agreement (SAA)
- European Free Trade Association (EFTA)
- Agreements on mutual administrative assistance in customs matters*

BULGARIA

- European Union Customs Union (EUCU)
- European Economic Area (EEA)
- Deep and Comprehensive Free Trade Areas (DCFTA)
- World Trade Organization (WTO) member since 1 December 1996
- Economic Partnership Agreements (EPA)

CROATIA

- European Union Customs Union (EUCU)
- European Economic Area (EEA)
- Free Trade Agreement (FTA)
- Deep and Comprehensive Free Trade Areas (DCFTA)
- Economic Partnership Agreements (EPA)
- European Free Trade Association (EFTA)

MACEDONIA

- Stabilisation and Association Agreement (SAA)
- European Free Trade Association (EFTA)
- Central European Free Trade Agreement (CEFTA)
- Bilateral Free Trade Agreement with Turkey
- Bilateral Free Trade Agreement with Ukraine
- World Trade Organization (WTO) member since 2003

MONTENEGRO

- Stabilisation and Association Agreement (SAA)
- European Free Trade Association (EFTA)
- Central European Free Trade Agreement (CEFTA)
- Bilateral Free Trade Agreement with Turkey
- Bilateral Free Trade Agreement with Russia

SERBIA

- Stabilisation and Association Agreement (SAA)
- European Free Trade Association (EFTA)
- Central European Free Trade Agreement (CEFTA)
- Bilateral Free Trade Agreement with Turkey
- Bilateral Free Trade Agreement with Russia

SLOVENIA

- European Union Customs Union (EUCU)
- European Economic Area (EEA)
- Free Trade Agreement (FTA)
- Deep and Comprehensive Free Trade Areas (DCFTA)
- Economic Partnership Agreements (EPA)
- European Free Trade Association (EFTA)
- World Trade Organization (WTO) member since 1995

Annual corporate income tax rate



ALB

15%



BiH

10%



BG

10%



CRO

12% - 18%

12% on income equal to or greater than HRK 3 million; or 18% on income equal to or greater than HRK 3,000,000.01



MKD

10%

of total profit



MNE

9%



SER

15%



SLO

19%

(the rate of withholding tax is 15 %)



Company forms

ALBANIA

<u>Company Form</u>	<u>Start-Up Capital Requirement</u>
General Partnership	n/a
Limited liability company	100 ALL ^{1/2}
Joint stock company	3.5 Million ALL ³

BOSNIA AND HERZEGOVINA⁴

<u>Company Form</u>	<u>Start-Up Capital Requirement</u>
Limited liability company	1 BAM ⁵
Closed joint-stock company	20,000 BAM
Open joint stock company	50,000 BAM
Partnership company	n/a
Limited partnership company	n/a

BULGARIA

<u>Company Form</u>	<u>Start-Up Capital Requirement</u>
Limited liability company	2 BGN ⁶
Joint-stock company	50,000 BGN ⁷
Company limited by shares	50,000 BGN
General partnership	n/a
Limited partnership	n/a
Sole trader	n/a

CROATIA

<u>Company Form</u>	<u>Start-Up Capital Requirement</u>
General partnership	n/a
Limited partnership	n/a
Joint stock company	200,000 HRK ⁸
Limited liability company	20,000 HRK
Simple limited liability company	10 HRK
Economic interest grouping	n/a

¹ The currency code of the Lek, the official currency of Albania.

² 100 ALL = less than EUR 1

³ Approximately EUR 28,000

⁴ Bosnia and Herzegovina ("BiH") has a multi-level government structure and it consists of: two entities, the Republic of Srpska ("RS") and the Federation of Bosnia and Herzegovina ("FBiH"), (collectively referred to as the "Entities") and Brcko District (the "District").

⁵ The Bosnia and Herzegovina convertible mark is the currency of Bosnia and Herzegovina. It is divided into 100 pfenigs or fenings and locally abbreviated KM.

⁶ The currency code of the Lev, the official currency of Bulgaria (BGN 1 is approximately EUR 1)

⁷ Approximately EUR 25,565.

⁸ The Kuna is the currency of Croatia. It is subdivided into 100 lipa and is internationally abbreviated HRK.



Governing legislation

ALB	Law on Entrepreneurs and Commercial Companies
BiH	Company Act Income Tax Act
BG	Commercial Act Corporate Income Tax Act
CRO	Companies Act Corporate Income Tax Act
MKD	Act on Trade Companies Act on Profit Tax
MNE	Companies Act ²¹
SER	Law on Companies ²²
SLO	Companies Act ("ZGD-1")

MACEDONIA

MONTENEGRO

<u>Company Form</u>	<u>Start-Up Capital Requirement</u>	<u>Company Form</u>	<u>Start-Up Capital Requirement</u>
General partnership	5,000 EUR ^{9/10}	General partnership	n/a
Limited partnership	5,000 EUR ¹¹	Limited partnership	n/a
Limited liability company ¹²	5,000 EUR ¹³	Limited liability company	1 EUR
Joint-stock company	<ul style="list-style-type: none"> 25,000 MKD¹⁴ if incorporated simultaneously¹⁵ 50,000 MKD if incorporated successively¹⁶ 	Joint stock company	25,000 EUR
Limited partnership with stocks	5,000 EUR ¹⁷		

SERBIA

SLOVENIA

<u>Company Form</u>	<u>Start-Up Capital Requirement</u>	<u>Company Form</u>	<u>Start-Up Capital Requirement</u>
General partnership	n/a	Limited liability company ²³	7,500 EUR
Limited partnership	n/a	Joint-stock company ²⁴	25,000 EUR
Limited liability company	100 RSD ^{18/19}	Unlimited liability company	n/a
Joint stock company	3 million RSD ²⁰	Limited partnership	n/a
		Societas Europaea	120,000 EUR

9 The currency code used to represent the euro, the official currency for more than half of the 27 members of the European Union (EU).

10 Must be paid within one year of incorporation.

11 Must be paid within one year of incorporation.

12 Limited liability company of one person.

13 Must be paid within one year of incorporation.

14 The Denar is the currency of Republic of Macedonia, internationally abbreviated MKD.

15 Without public call.

16 With public call.

17 Must be paid within one year of incorporation.

18 The Dinar is the currency of Serbia, internationally abbreviated RSD.

19 Less than 1 EUR.

20 Approximately EUR 25,000.

21 Zakon o privrednim društvima, Official Gazette of the Republic of Montenegro no. 6/2002, Official Gazette of Montenegro nos. 17/2007, 80/2008, 40/2010 - other law, 36/2011 and 40/2011 - other law.

22 Zakon o privrednim društvima, Official Gazette of the Republic of Serbia nos. 36/2011, 99/2011, 83/2014 - other law and 57/2015.

23 Ltd. - in Slovenian d.o.o.

24 In Slovenian d.d.

Commercial Law

SELA offers a wide range of commercial law services across all of our jurisdictions. Our regional reach allows us to provide a seamless, tailor made service to companies doing business in the region. Our experience in helping companies translate their commercial objectives into enforceable and clear contracts, ensures that our clients are able to do their business in an efficient and effective manner.

Our Services

- Commercial contracts
- Corporate compliance
- Product marketing
- Labelling
- Procurement
- Consumer law advice
- Franchising
- Manufacturing and supply
- Distribution of goods and services
- Contract disputes and enforcement
- Media, promotional and advertising matters
- Non-contractual commercial issues, including data protection, document retention policies and eCommerce

What you need to know
Contract enforcement



Governing legislation

ALBANIA

- Law on Entrepreneurs and Commercial Companies
- Civil Procedure Code

BOSNIA AND HERZEGOVINA

- Act on Civil Procedure
- Act on Enforcement Proceedings
- Mediation Act
- Act on Courts
- Act on Obligations

BULGARIA

- Civil Procedure Code
- International Commercial Arbitration Act

CROATIA

- Enforcement Act
- Arbitration Act
- Civil Procedure Act
- Mediation Act
- Court Fees Act, etc.

MACEDONIA

- Act on Obligations
- Enforcement Act
- Act on Litigation Procedure
- Mediation Act
- Act on Court Taxes
- Act on Commerce
- Act on Electronic Commerce
- Consumer Protection Act

MONTENEGRO

- Act on Contracts and Torts²⁵

SERBIA

- Act on Contracts and Torts²⁶

SLOVENIA

- Obligations Code ("OZ")
- Civil Procedure Act ("ZPP")
- Claim Enforcement and Security Act ("ZIZ")
- Consumers Protection Act ("ZVPot-1")



Governing commercial court

ALBANIA

- Regional District Court

BOSNIA AND HERZEGOVINA

- Municipal courts
- District Commercial courts

BULGARIA

- Regional courts²⁷
- District courts²⁸

CROATIA

- Municipal Courts²⁹

MACEDONIA

- Primary courts³⁰

MONTENEGRO

- The Commercial Court of Montenegro

SERBIA

- The Commercial Appellate Court

SLOVENIA

- District Courts

²⁵ Zakon o obligacionim odnosima, Official Gazette of Montenegro nos. 47/2008, 4/2011 - other law and 22/2017.

²⁶ Zakon o obligacionim odnosima, Official Gazette of SFRY, nos. 29/78, 39/85, 45/89 - the decision of CCY and 57/89, Official Gazette of FRJ, no. 31/93 and Official Gazette of SM, no. 1/2003- Constitutional chart.

²⁷ Competent to resolve on claims with interest of up to EUR 12,500.

²⁸ Some district courts have commercial panels. There are no separate commercial courts.

²⁹ On exception can be governed by the Commercial Courts.

³⁰ Macedonia has no special commercial courts.

Timeframe for claims from filing – enforcement



10 – 15 DAYS for issuance of executive order on claims for late payment interests (contracts between undertakings only, including Public authorities/state companies)

No legal time frame for their types of claims – practical average timing (From 2 to 5 years)



6 MONTHS

This legal timeframe is not usually enforced in practice and some procedures can last for several years, depending on the case.



8 DAYS FROM FILING

The legal timeframe according to the Act on Enforcement Proceedings is 8 days from filing, but in practice it would be approximately 2 - 3 months.



2 - 5 YEARS



1 WEEK -2 YEARS

If the contract is certified by a notary, it could be enforced through a special procedure for issuing a payment order a week after the filing. Enforcement by a private bailiff is usually swift but it depends on the enforcement measures. Attachments on bank accounts could be enforced in one to two days.



2 - 5 YEARS



NO TIMEFRAME PRESCRIBED

In the best-case scenario, which implies that a creditor has an enforcement deed, the timeframe is approx.3 months. However, some enforcement procedures can last for several years.

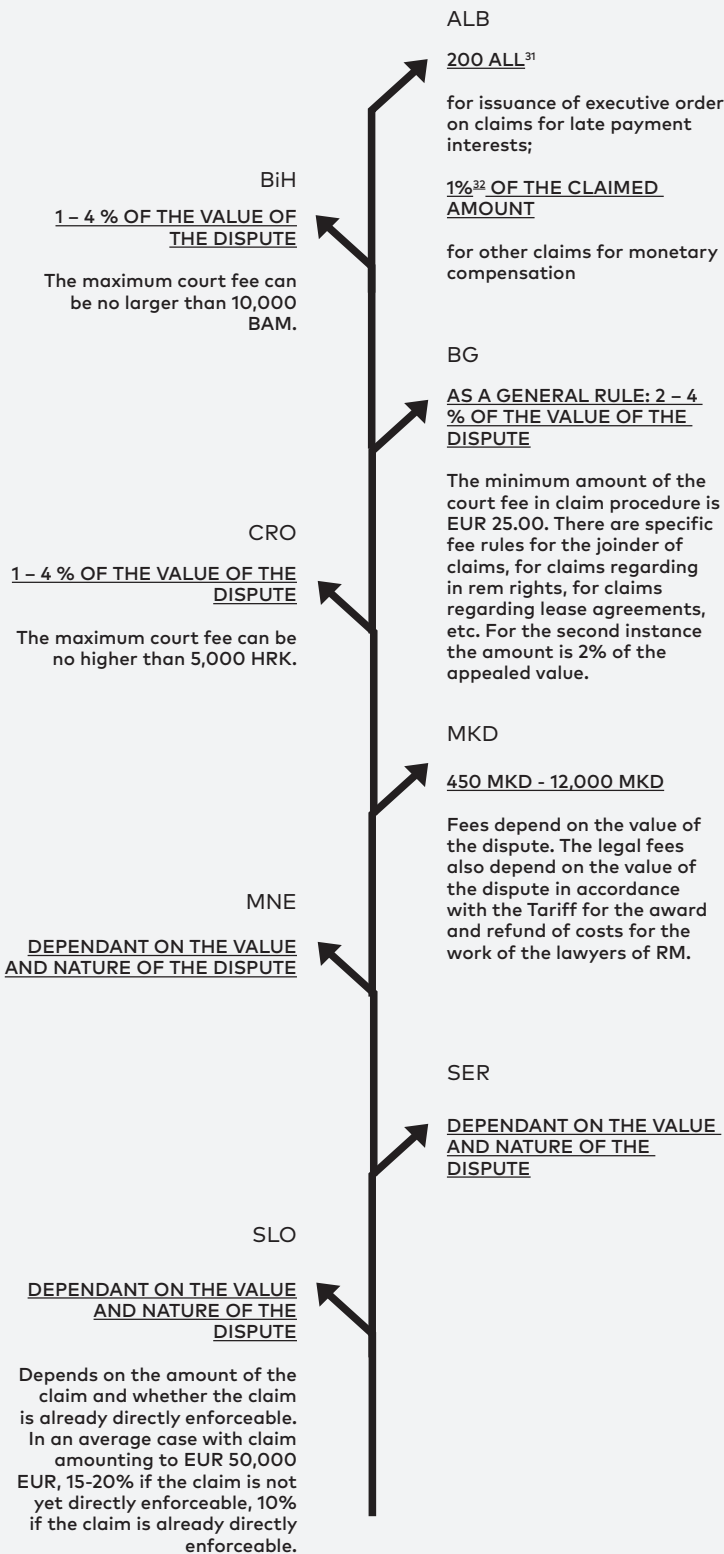


2 WEEKS TO 2 YEARS

If the contract is concluded in authenticated form (for example notarial deed), the court decision of the commencement of enforcement could be obtained already within two weeks' time.

If the claim is based only on a private document, obtaining enforceable title (final and enforceable court judgment) would take approximately 2 (two) years, if all legal remedies are used. The duration of the court proceedings depends mainly from the competent court, complexity of the matter and actions of the litigating parties.

Cost (% of claim)

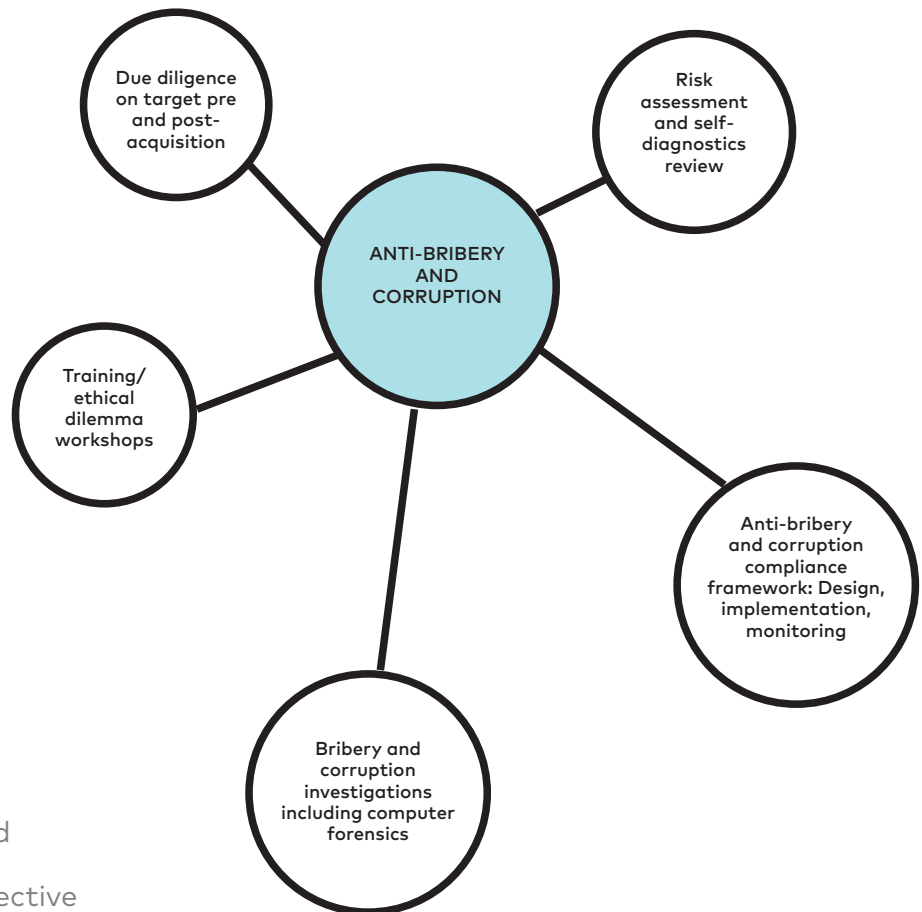


Alternative dispute resolution mechanisms available

ALB	➤➤	<u>ARBITRATION AND MEDIATION</u> Recognized but there is no legal regulation
BiH	➤➤	<u>ARBITRATION AND MEDIATION</u>
BG	➤➤	<u>ARBITRATION AND MEDIATION</u> Not very popular for the time being
CRO	➤➤	<u>ARBITRATION AND MEDIATION</u>
MKD	➤➤	<u>ARBITRATION AND MEDIATION</u>
MNE	➤➤	<u>ARBITRATION</u>
SRB	➤➤	<u>ARBITRATION</u>
SLO	➤➤	<u>ARBITRATION AND MEDIATION</u>

³¹ Excluding's bailiff fees, that are determined as a range of percentages on the value of the claim.

³² Excluding's bailiff fees, that are determined as a range of percentages on the value of the claim.



Anti-bribery and Corruption

SELA's legal experts have conducted numerous risk assessments and are experienced in developing highly effective anti-corruption compliance programs. We offer our clients internal training and audits, as well as assessments of existing policies and practices, to ensure effective compliance and continuous monitoring. As part of the due diligence process, we offer clients a preliminary assessment of a targets anti-corruption policies and procedures, ensuring that they are aware of potential risks and ready to deal with them head on.

Our Services

- Risk assessments and internal investigations for anti-corruption, commercial corruption, money laundering, cartel investigations and dawn raids
- Drafting anti-bribery and corruption policies
- Evaluating company policies and procedures
- Domestic and cross-border due diligence investigations
- Identification and mitigation of risks related to bribery, fraud and corruption
- Training company employees in compliance and risk mitigation
- Focus on jurisdictional reach of US Foreign Corrupt Practices Act (FCPA) and UK Bribery Act
- Providing a defense in arising prosecutions

Corporate Governance

Our corporate governance team has the experience to assist clients with developing strategies to minimize and manage operational and regulatory risk and to comply with the legal requirements of running a company in the modern day. The team counsels on the full ranges of corporate governance issues that challenge companies and their management.

Our Services

- Development and implementation of corporate governance policies
- Board structure and composition
- Senior executive compensation policies
- Review and update of charter and bylaws
- Strategic advisory on M&A mandates and internal investigations
- Foreign corrupt practices – inquiries and investigations
- Succession planning
- Whistle blowing
- Risk identification and management
- White collar and regulatory enforcement – advising on corporate crisis situations

GOVERNING LEGISLATION

	Legislation	Year implemented
ALB	Law on Law on Entrepreneurs and Commercial Companies	2008
BiH	Company Act	2008 ³³ - RS: 2015 ³⁴ - FiBH
BG	Commercial Act	1991 ³⁵
CRO	Companies Act	2003
MKD	Act on Trade Companies	2004
MNE	Criminal Code of Montenegro ³⁶ Law on the Liability of Legal Entities for Criminal Offences ³⁷	2007 2005
SER	Criminal Code ³⁸ Act on the Liability of Legal Entities for Criminal Offences ³⁹	2005 2008
SLO	Companies Act ("ZGD-1") ⁴⁰ Integrity and Prevention of Corruption Act (ZIntPK) ⁴¹	2009 2010

33 Official Gazette of Republic of Srpska, no. 127/08, 58/09, 100/11 and 67/13.

34 Official Gazette of Federation of Bosnia and Herzegovina, no. 81/15.

35 State Gazette of the Republic of Bulgaria, no. 48/1991, last amendment – State Gazette of the Republic of Bulgaria, no. 62/2017.

36 Krivični zakonik Crne Gore, Official Gazette of the Republic of Montenegro nos. 70/2003, 13/2004 - correction and 47/2006, Official Gazette of Montenegro nos. 40/2008, 25/2010, 32/2011, 64/2011 - other law, 40/2013, 56/2013 - correction 14/2015, 42/2015, 58/2015 - other law and 44/2017.

37 Zakon o odgovornosti pravnih lica za krivična djela, Official Gazette of the Republic of Montenegro nos. 2/2007, 13/2007 - correction, Official Gazette of Montenegro nos. 30/2012 and 39/2016.

38 Krivični zakonik, Official Gazette of the Republic of Serbia nos. 85/2005, 88/2005 - correction, 107/2005 - correction, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014 and 94/2016.

39 Zakon o odgovornosti pravnih lica za krivična djela, Official Gazette of the Republic of Serbia no.97/2008.

40 Last amended in 2017.

41 Last amended in 2011

Privacy and data protection

Because information is one of the most important strategic resources in modern business, its proper management is critical. Privacy and data protection is one of the most vital issues impacting businesses and as privacy and data protection laws continue to change, companies increasingly face the risk of breaching regulations. SELA's legal experts are regarded for their expertise and ability to deliver comprehensive and commercially sound advice on privacy and data protection matters.

Our Services

- Drafting and review of compliance programs and policies
- Conducting privacy audits and privacy and data protection trainings
- Data protection aspects of acquisitions, joint ventures and other transactions, etc.
- Advising on staff data on a multi-jurisdictional basis, including new data policies, contracts and procedures
- Data protection dispute matters
- Advising on data protection matters related to the collection and use of personal information in marketing and promotional campaigns



03

Our Regional Corporate & Commercial Team

Key Contacts

To ensure top quality service and a unified approach we have established practice area specific teams spanning across the region. This allows us to deliver commercial and cost-effective advice and to provide a unique service that other legal networks don't offer.



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