

Adriatic Legal Insights

2016/2

Bosnia and Herzegovina

Croatia

Macedonia

Montenegro

Serbia

Slovenia

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Facts And Figures

Bosnia and Herzegovina



Quick Facts

Population: 3.870.000

Area: 51.197 km²

Government: Bosnia and Herzegovina has several levels of political structuring, according to the Dayton accord. The most important of these levels is the division of the country into two entities: Republic of Srpska and the Federation of Bosnia and Herzegovina. Furthermore, Federation of B&H is divided into 10 cantons. The Federation of B&H covers 51% of Bosnia and Herzegovina's total area, while Republic of Srpska covers 49%. Brčko District in the north of the country was created in 2000, out of land from both entities.

Capital city: Sarajevo, population: 369,534

Chairman of the Presidency of B&H: Dragan Čović

Members of the Presidency: Mladen Ivanić and Bakir Izetbegović

Prime Minister: Denis Zvizdić

Membership of international organizations: Euro-Atlantic Partnership Council (EAPC), International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), United Nations (UN).

Currency: convertible mark (BAM).

Real GDP growth (real growth rate in %): 1.2

GDP per capita in BAM: 8.280

Rate of unemployment in %: 27.5

Inflation (annual average in %): 0.1

Key economics, financial and social indicators

	Units	2014	2015	2016
Real GDP	Percent change	0.8	1.9	2.3
General government structural balance	Percent of potential GDP	-0.626	-0.302	-0.208
Gross domestic product, constant prices	Percent change	0.800	2.300	3.100
General government gross debt	Percent of GDP	44.906	46.618	46.491
Export volume of goods and services	Percent change	5.165	5.878	8.103
Import volume of goods and services	Percent change	6.865	6.913	5.806
Investment	Percent of GDP	18.181	18.772	18.852



Facts And Figures

Croatia



Quick Facts

Population: 4,284,889

Area: 56,594 km²

Government: Croatia is a democratic republic founded on the principle of separation of powers of the legislative, executive and judicial branch.

Capital city: Zagreb, population: 792,875

President of the Republic: Ms. Kolinda Grabar-Kitarovic

Prime Minister: Mr. Andrej Plenković

Membership of international organisations: Croatia is a member of the European Union since July the 1st 2013, a member of NATO since April the 21st, 2008

Official language: Croatian; also Hungarian, Italian, Ruthenian, Serbian and Slovakian in their respective ethnically mixed areas.

Currency: Croatian Kuna (HRK)

Key economics, financial and social indicators

	Units	2014	2015	2016
Real GDP	Percent change	-0.4	1	1.4
General government structural balance	Percent of potential GDP	-3.129	-3.216	-2.554
Gross domestic product, constant prices	Percent change	-0.400	0.450	1.000
General government gross debt	Percent of GDP	80.926	85.072	87.196
Export volume of goods and services	Percent change	6.259	7.000	6.000
Import volume of goods and services	Percent change	2.991	4.500	5.000
Investment	Percent of GDP	17.871	17.412	17.409



Facts And Figures

Macedonia



Quick Facts

Population: 2,096,015 (July 2015 est.)

Area: 25,713 sq km

Government: Parliamentary democracy

Capital: Skopje, population: 503,000 (2015 est.)

President: Gjorge Ivanov

Prime Minister: Emil Dimitriev

International Organisations Membership: UN, Candidate status for EU membership since 2005, aspiring member of NATO, Member of WTO since 2003, member of World Bank Organisation since 1993, also member of International Development Association, CEI, EBRD, FAO, IAEA, IBRD, IFC, IMF, Interpol, IOC, IOM (observer), ISO, OSCE, UNCTAD, UNESCO, WHO

Official language: Macedonian, Albanian in their respective ethnically mixed areas

Currency: Denar

Key economics, financial and social indicators

	Units	2014	2015	2016
Real GDP	Percent change	3.5	3.2	3.4
Gross domestic product, constant prices	Percent change	3.768	3.800	3.900
General government gross debt	Percent of GDP	38.008	37.296	40.248
Export volume of goods and services	Percent change	17.033	10.013	9.077
Import volume of goods and services	Percent change	14.498	9.760	8.355



Facts And Figures

Montenegro



Quick Facts

Population: 620.000

Area: 14.000 km²

Government: is an independent and sovereign state, republican form of government. Montenegro is a civil, democratic, ecological and the state of social justice based on rule of law.

Capital city: Podgorica

Population: 185,000

President of the Montenegro: Filip Vujanovic

Prime Minister: Milo Djukanovic

Membership of international organizations: Montenegro is in process of European Union integration, and negotiations between Montenegro and the European Union officially begun on 29 June 2012. Montenegro also is member of many international organization as UN, WTO, OSCE

Official language: Montenegrin.

Currency: euro (EUR), since 2002.

Key economics, financial and social indicators

	Units	2014	2015	2016
Real GDP	Percent change	1.8	3.4	2.9
Gross domestic product, constant prices	Percent change	1.129	4.670	3.513
General government gross debt	Percent of GDP	58.370	60.357	64.317
Export volume of goods and services	Percent change	-2.239	4.220	3.964
Import volume of goods and services	Percent change	2.592	13.997	9.346
Investment	Percent of GDP	20.091	24.986	27.633



Facts And Figures

Serbia



Quick Facts

Population: 7.120.000 (excl. Kosovo)

Area: 88.361 km²

Government: Serbia is a democratic republic founded on the principle of separation of powers of the legislative, executive and judicial branch.

Capital city: Belgrade

Population: 1.600,000

President of the Republic: Tomislav Nikolic

Prime Minister: Aleksandar Vučić

Official language: Serbian; also Hungarian and Albanian in their respective ethnically mixed areas.

Currency: dinar (RSD)

Key economics, financial and social indicators

	Units	2014	2015	2016
Real GDP	Percent change	-1.8	0.8	1.8
General government structural balance	Percent of potential GDP	-5.108	-4.103	-3.598
Gross domestic product, constant prices	Percent change	-1.813	-0.500	1.500
General government gross debt	Percent of GDP	72.414	76.389	78.372
Export volume of goods and services	Percent change	4.856	3.111	4.979
Import volume of goods and services	Percent change	2.921	-1.517	2.956
Investment	Percent of GDP	15.567	18.379	18.926



Facts And Figures

Slovenia



Quick Facts

Population: 2.055.000

Area: 20.273 km²

Government: Slovenia is a democratic republic founded on the principle of separation of powers of the legislative, executive and judicial branch.

Capital city: Ljubljana

Population: 280,000

President of the Republic: Borut Pahor

Prime Minister: Miro Cerar

Membership of international organisations: Slovenia is a member of the European Union since May 1, 2004, a member of NATO since April 7, 2004 and a member of OECD since July 18, 2010.

Official language: Slovene; also Hungarian and Italian in their respective ethnically mixed areas.

Currency: euro (EUR), since January 1, 2007.

Key economics, financial and social indicators

	Units	2014	2015	2016
Real GDP	Percent change	3	2.4	2.1
General government structural balance	Percent of potential GDP	-3.129	-3.216	-2.554
Gross domestic product, constant prices	Percent change	-0.400	-0.450	1.000
General government gross debt	Percent of GDP	80.926	85.072	87.196
Export volume of goods and services	Percent change	6.259	7.000	6.000
Import volume of goods and services	Percent change	2.991	4.500	4.500
Investment	Percent of GDP	17.871	17.412	17.409



Legal News

Bosnia and Herzegovina



The Parliament of the Federation of Bosnia and Herzegovina adopted a new Labour Act

- Constitutional Court of Federation of Bosnia and Herzegovina adopted a Decision on March 16, 2016 which declares the Labour Act of FB&H from August 12, 2015 unconstitutional due to the fact that the mentioned Act has been adopted contrary to the Rules of House of Peoples of the Federation of B&H and the Constitution of Federation of B&H.
- The Parliament of the Federation of B&H adopted a new Labour Act with text identical to the previous one from 2015.

The Parliament of the Federation of Bosnia and Herzegovina adopted a new General Collective Agreement for the territory of Federation of Bosnia and Herzegovina

Provisions of the new General Collective Agreement that deserve special attention are:

- Minimal hourly wage has been amended and it amounts to BAM 2,31 net, before taxation.
- Salary increase for years of service has been lowered to 0,4 %.
- Increases for overtime, night and working on holidays have been lowered.
- Branch Collective Agreements, Labour Book of Rules or Employment Agreements shall regulate methods of determining salaries' amounts and work performance; methods of calculating amounts of salaries' increases based on difficult work conditions; compensations to salaries for cases of death, time spent away from work, illnesses, field work; methods of determining amounts of compensations for business trips; conditions and amounts of salary compensations in cases of pregnancies; right to redundancy benefits; transportation fees; conditions and amounts of vacation recourses.
- General Collective Agreement for the territory of Federation of Bosnia and Herzegovina is concluded for a twelve (12) months period with a possibility of prolongation afterwards.



Legal News

Bosnia and Herzegovina



The Parliament of Republic of Srpska adopted a new Bankruptcy Act

Provisions of the new General Collective Agreement that deserve special attention are:

- Constitutional Court of Federation of Bosnia and Herzegovina adopted a Decision on March 16, 2016 which declares the Labour Act of FB&H from August 12, 2015 unconstitutional due to the fact that the mentioned Act has been adopted contrary to the Rules of House of Peoples of the Federation of B&H and the Constitution of Federation of B&H.
- The Parliament of the Federation of B&H adopted a new Labour Act with text identical to the previous one from 2015.

Amendments to Bankruptcy Act of Federation of Bosnia and Herzegovina are expected soon

Provisions of the new General Collective Agreement that deserve special attention are:

- Pre-bankruptcy proceedings are introduced; they are a method of revitalising a company. These proceedings should last a maximum of six (6) months; they would be initiated by a Bankruptcy Judge who would also appoint a person to administer an individual bankruptcy proceeding.
- A team of experts would be appointed; these experts would be first associates of the person who administers the bankruptcy proceeding. Their task would be proposing measures in order to saving the company within a set deadline.
- The main difference between pre-bankruptcy and bankruptcy proceedings lays in the fact that, during a pre-bankruptcy proceeding, a company's administration continues to perform regular tasks for company's business.
- Bankruptcy proceedings should be initiated only if proposed measures fail to produce positive results, i.e. it becomes evident that pre-bankruptcy proceedings will not help saving the company.



The Act on Investment Promotion (Official Gazette No. 102/15)

This Act regulates incentive measures for investment projects in Republic of Croatia. The Act entered into force on 3 October 2015 and it represents one of the main legislative acts for the investment in Republic of Croatia.

The incentive measures established by the Act are related to investment projects in:

- manufacturing and processing activities,
- development and innovation activities,
- business support activities,
- high added value services.

The incentive measures can be used by enterprises duly incorporated and registered in Republic of Croatia investing in fixed assets the minimum amount of:

- EUR 50,000 together with creating at least 3 new jobs for microenterprises,
- EUR 150,000 together with creating at least 5 new jobs for small, medium and large enterprises,
- EUR 13 million together with creating at least 10 new jobs requiring university degree (for newly established enterprises).

According to the Act, the investment is defined as an investment in tangible and intangible assets related to the setting-up of the new establishment, extension of the capacity of an existing establishment, diversification of the output of an establishment into products not previously produced in the establishment or a fundamental change in the overall production process of an existing establishment.

There are also a lot of incentive measures contained in active labour market policy, exemptions of payment of contributions for young people and measures available through European Structural and Investment Funds.



Macedonia Employs II

The government project for decrease of the unemployment, which finished at April 2016, is now going to be repeated for a second time under the same name, “Macedonia Employs II”. The project is going to involve a direct assistance from the government for the business sector that needs new employees but lacks the recourses to fund it. The business that are going to sign up for this project can hire unemployed individuals for which the entity shall not be obligated to pay the benefits for that employee. The only obligation for the employer is not to reduce the number of the employee for a certain period of time after the using of the benefits of this project. The statistics showed that the “Macedonia Employs I” was a successful project that resulted in the reduction of unemployment and helped the businesses expand more easily.

The new General Administrative Procedure Law

The system of administrative procedures in the Republic of Macedonia has been modernized by the incorporation of a completely new legal framework – the new Law on General Administrative Procedure. The Law entered into force on July 27 2015, with an effect from July 27 2016. It represents a logical continuation of the founding principles that were a basis for the previous Law, but at the same time it introduces progressive administrative tools such as IT communication, access to a single point of contact, administrative agreement and an effective system of administrative remedies. It is expected that the new Law will contribute towards improvement of the transparency of administrative procedures, incensement of the citizens’ trust in public administration, as well as encouragement of the practice-oriented administrative services and professional public administration as an essential requirement for economic development.



Amendments in the notary public regulations to bring procedural efficiency

It is expected that the new Law on Notary Public will overcome the weaknesses identified in the existing Law and will also lead to higher efficiency in the notary public operation.

The amendments of the Law is requiring presence of attorneys at law at the moment of drafting of the notarial deeds and the drafting of the private deeds from the attorneys at law with their stamp and signature which will be later confirmed by the notary. The presence of the attorneys at law depends on the value of the taken action, the preparation of proposals for issuing decision for notary payment order, regular legal remedies by the attorneys at law, as well as the presence of lawyers in the process of discussion of legacy before a notary. This amendment is introduced for the purposes of incensement of the legal certainty for the parties in the procedures before a notary public.

The amendment of the majority of the existing legal provisions will be reflected in the procedures upon proposals for adoption of decisions for allowance of enforcement based on an authentic deed (notary payment order). Moreover, it will introduce significant opportunity for the notary public to draft and issue electronic notary public deeds and electronically archived notarial documents.

The new changes in the Law on Construction Land to bring ease of the sale of land

The Government of the Republic of Macedonia, in its program for the period 2014-2018, incorporated a project that shall enable electronic concluding of real estate purchase agreements. For the purposes of implementation of the project, an appropriate legal amendment has to be introduced within the Law on Construction Land, which will regulate the procedure for electronic sale of construction land owned by the Republic of Macedonia, as well as the manner of concluding the real estate purchase agreements. Therefore, an amendment of the provisions of the Law on Construction Land is inevitable.

The new Law on Construction Land is based the principles of guaranteeing the right to property and its legal protection, creating rights and obligations that serve the good of the individual and the community, distinguishing the rights over construction land from the rights on the object, establishing profitable relationships in the field of construction land, transparency in process of sale of construction land owned by the Republic of Macedonia and efficiency in process of the sale of construction land.



Legal News

Montenegro



The Parliament of Montenegro enacted the new Law on Administrative Dispute

The Parliament of Montenegro enacted the new Law on Administrative Dispute published on August 15, 2016, in the "Official Gazette of Montenegro", No. 54/16 which shall become applicable on July 1, 2017. The new Laws deliver positive new solutions which can increase efficiency and effectiveness of administrative procedures and public administration.



New Law on Consensual Financial Restructuring

The new Law on Consensual Financial Restructuring (“Official Gazette of RS” No. 89/2015) which came into effect on November 4, 2015, began to be applied on February 3, 2016. As opposed to the previous Law on Consensual Financial Restructuring from 2011, which did not deliver the expected results with regard to decreasing number of irrecoverable debts, the new Law establishes a better legal framework for voluntary debt restructuring in Serbia. The goal behind the enactment of this Law was to find a solution for the growing problem of insolvency of companies and sole proprietors, whose debts, according to data from the National Bank of Serbia, amount to 256.7 billion dinars for around 30,000 blocked accounts held by companies, and 15.5 billion dinars for over 26,000 blocked accounts held by sole proprietors. This Law was therefore enacted as one of the measures for resolving the issue of irrecoverable loans.

The new Law on General Administrative Procedure

The new Law on General Administrative Procedure (“Official Gazette of RS” No. 18/2016), enacted on February 29, 2016, entered into force on March 9, 2016 (“the Law”). The Law will be applied from July 1, 2017, except for certain provision that will start being applied 90 days after the Law enters into force, i.e. from June 7, 2016.

In enacting this Law the legislator was motivated by the need to improve administrative legislation in keeping with European standards. One of the legislator’s principal motives was to adapt public administration to the needs of the citizens, providing the necessary services and guaranteeing their quality and accessibility. Quality and efficient public services will certainly help in improving the business environment and legal certainty.



New Decree on power generation and cogeneration incentives

The Government of the Republic of Serbia enacted a new package of energy-related bylaws in June 2016, which, inter alia, regulate acquiring the status of privileged power producer and temporary privileged power producer, incentives granted to privileged power producers and the content of power purchase agreements between guaranteed suppliers and privileged power producers.

Investors have been particularly interested in the new elements introduced by the Decree on incentives for power generation from renewable energy sources and high-efficiency cogeneration (“Official Gazette of RS“ No. 56/2016).

As compared to the previous Decree, this new Decree specifies a different incentive purchase price with regard to certain types of power plants operated by privileged producers. As for temporary privileged producers, according to the new Decree they will be entitled to 50% of the incentive purchase price stipulated in the Decree, until the beginning of the incentive period.



Resolution and Compulsory Dissolution of Credit Institutions Act (Zakon o reševanju in prisilnem prenehanju bank (ZRPPB))

In effect from June 25th 2016, published in the Official Gazette of the Republic of Slovenia no. 44/16, the ZRPPB regulates the powers awarded to and the procedures conducted by the Bank of Slovenia, a national body entrusted with the task of bank resolution. It also contains detailed provisions on procedures for the compulsory dissolution of banks, procedures on bank resolution, which is an alternative to ordinary insolvency proceedings and provides a means of restructuring or termination of banks whose failure is a threat to financial stability, etc. The most important principles governing the ZRPPB are the principle of early intervention, preventing a banking crisis and ensuring financial stability – mainly by determining a range of instruments that enable an early and rapid intervention in fragile or failing banks, and the principle of restrictions of the use of public funds for bank resolution – the latter will be financed by shareholders, creditors and a special resolution fund, financed by the banks themselves. Consequently, banks will no longer be resolute with public funds.

International Protection Act (Zakon o mednarodni zaščiti (ZMZ-1))

In effect from April 24th 2014, published in the Official Gazette of the Republic of Slovenia no. 22/16, the International Protection Act fully regulates the area of international protection. Due to the demand of transposition of EU law into the national legal systems, it was necessary to adopt a new act in this field. With this act, the asylum regulation is being harmonised with other EU Member States and a Common European Asylum System is being established. The goal of the new act is to introduce legal, effective and fast asylum procedures, which still give the necessary protection to the citizens of third countries and enable their integration into Slovenian society. In comparison to the previous act, which regulated the international protection, the new International Protection Act is clearer in determining special guarantees of the applicants with special needs for admission and for the applicants, who need special procedural safeguards. It also sets forth deadlines for issuing a decision at first instance more clearly and also more clearly defines the instrument of inadmissible application.



Amendment to the Media Act (Zakon o medijih (ZMed))

In effect from June 18th 2016, published in the Official Gazette of the Republic of Slovenia no. 39/16, the amendment to the Media Act brings an important change in the area of quotas for Slovenian music on the radio stations. Slovenian music shall represent 40% for public radios, 25% for radios with programs of particular importance and 20% for commercial radios of all music broadcasted on the radio in each of time periods between 0am to 6 am, 6am to 6pm and 6pm to 12pm. The amendment also regulates the rules regarding comments on websites, where the media publisher is responsible for the preparation of such rules.

Amendment to the Environmental Protection Act (Zakon o varstvu okolja (ZVO-1))

In effect from May 10th 2016, published in the Official Gazette of the Republic of Slovenia no. 30/16, the amendment to the Environmental Act is principally intended to transpose the Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances into the Slovenian legal order. The amendment to the Environmental protection Act also abolishes the 10-year time limit on the validity of environmental permit and brings changes to the phases in which the operator of facilities requires a final environmental permit. Additionally, it sets forth a possibility of a permit for temporary or non-regular environmental strains, if such an exception is possible under EU law.



Investment Opportunities

Bosnia
and
Herzegovina



SARAJEVO-OSIGURANJE

Subject of sale will be 45% of state capital.

- The largest insurance company in B&H and among the 50 largest insurance companies in South Eastern Europe
- Long-standing presence in B&H market, established in 1945
- Organized as a joint-stock company

Time to invest:
IN THE PIPELINE

Energy sector

HYDRO POWER PLANT “KRUŠEVO & ZELENI VIR”

Construction of a hydro power plant

Potential electricity generation: HPP Kruševo: 21.7 GWh; HPP Zeleni Vir: 8.4 GWh

Total investment cost: 46.6 million EUR

Project schedule: 2016-2019

Additional information available at http://www.fipa.gov.ba/investinbih/index_html_files/HPP%20Kruisevo%20and%20Zeleni%20Vir.pdf

Time to invest:
IN THE PIPELINE

WIND PARKS SLOVINJ & DŽEVA, GLAMOČ

Construction of a wind farm in Glamoč

Installed net electric power: Wind park Slovinj: 130 MW; Wind park Dževa: 46 MW

Total investment cost: 263 million EUR

Project schedule: 10 years implementation period; 12 years project payback period

Additional information available at http://www.fipa.gov.ba/investinbih/index_html_files/Wind%20parks%20Slovinj%20i%20Dzeva,%20Glamoc.pdf

Time to invest:
IN THE PIPELINE



Investment Opportunities

Bosnia
and
Herzegovina



WIND PARK GALICA, VLAŠIĆ

Construction of a wind farm on Vlašić mountain

Installed net electric power: 2x50 MW

Total investment cost: 156 million EUR

Project schedule: The project is currently in the final phase of documentation for construction

Additional information available at http://www.fipa.gov.ba/investinbih/index_html_files/Wind%20farm%20Galica,%20Vlasic.pdf

Time to invest:
IN THE PIPELINE

BIOMASS POWER PLANT, VISOKO

Construction of a biomass power plant in Visoko

Estimated plant capacity: 150 kW

Total investment cost: 2 million EUR out of which 1 million EUR is required from a foreign partner and 1 million EUR is provided by the local partner

Project schedule: Currently a business idea

Additional information available at: http://www.fipa.gov.ba/investinbih/index_html_files/BIOMASS%20POWER%20PLANT%20VISOKO.pdf

Time to invest:
IN THE PIPELINE

THERMAL POWER PLANT, BUGOJNO; COAL MINE, GRAČANICA

Construction of a thermal power plant in Bugojno; Reconstruction of a coal mine in Gračanica

Installed net thermal power: app. 800 MW; installed net electric power: app. 350 MW

Total investment cost: 592.57 million EUR

Project schedule: 2017-2022

Additional information available at: http://www.fipa.gov.ba/investinbih/index_html_files/Gracanica%20coal%20mine%20and%20Bugojno%20TPP.pdf

Time to invest:
IN THE PIPELINE



Investment Opportunities

Bosnia
and
Herzegovina



Production

SARAJ-KOMERC, GORNJI VAKUF/USKOPLJE

Cooperation in the metal processing industry and automotive industry

Main activity of the company: production of springs and spring elements and other different metallic parts for automotive industry

Total investment cost: app. 5-6 million EUR

Form of cooperation with foreign partner: joint venture or transfer technology

Project schedule: n/a

Additional information available at: http://www.fipa.gov.ba/investinbih/index_html_files/Saraj%20Komerc,%20Gornji%20Vakuf%20Uskoplje.pdf

Time to invest:
IN THE PIPELINE

Real estate

MULTIPLEX BUSINESS AND ENTERTAINMENT CENTRE, SARAJEVO

Establishment of Multiplex Business and Entertainment Centre in Sarajevo

Total investment cost: 30 million EUR out of which 7.5 million EUR is provided by a local partner and 22.5 million EUR is required by a foreign partner

Form of cooperation with foreign partner: joint venture

Project schedule: n/a

Additional information available at: http://www.fipa.gov.ba/investinbih/index_html_files/Business%20&%20Entertainment%20Centre,%20Sarajevo.pdf

Time to invest:
IN THE PIPELINE



Investment Opportunities

Croatia



Tourism sector projects

ADRIATIC CROATIA INTERNATIONAL CLUB d.d. (ACI d.d.)

ACI d.d. is Croatia's leading boating tourism company with 400,000 boaters each year in 22 marinas situated throughout Croatia. In wider spectrum, it represents largest chain of marinas on Mediterranean.

By the decision of Government of the Republic Croatia (dated 11 May 2016), ACI d.d. is erased from the list of the companies regarded to be of strategic and special interest for Republic of Croatia, which is the first step in its preparation for possible privatisation.

ACI d.d. is approx. 80 % owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE

HOTELI MAESTRAL d.d.

HOTELI MAESTRAL d.d. is Croatian leisure and tourism company situated in Dubrovnik, owning and possessing 5 hotels for the accommodation of tourists.

HOTELI MAESTRAL d.d. is approx. 70% owned by Republic of Croatia.

Time to invest:
HOT

KUPARI

KUPARI is high-level tourism project located in Dubrovnik-Neretva County, which requires further reconstruction/construction and development. It represents one of the most attractive locations in the region.

At the moment, the location is not in usage.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Croatia



HOTELI MAKARSKA d.d.

Hoteli Makarska d.d. is a tourist-hospitality company, established in 1952, offering accommodation and hospitality services in its three hotels near the beach.

The Company is located in the renowned tourist destination Makarska Riviera (in Central Dalmatia). With a diversified tourist offer the Company has established a prominent position on international markets (approximately 90% of guests are from abroad).

According to the information received from Agency for Investments and Competitiveness, there is in total 463,305 of the company's shares for sale with average price on stock market (per share) of EUR 37,34 (date 27 July 2016).

Time to invest:
EXPECTED SOON

Infrastructure sector projects

BRAJDICA NAUTICAL PORT

The site is located in the City of Rijeka, within the Port of Rijeka, the largest and the most important cargo harbour in the Republic of Croatia.

The City of Rijeka highly supports the construction of the new marina, called Brajdica Nautical Port, which aims to increase the total nautical capacities with additional supporting facilities and specialized services.

The estimated value of the project is EUR 20 million.

The project is planned to be developed in a maritime domain, therefore it will be necessary to obtain a concession through public tender.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Croatia



ZRAČNA LUKA OSIJEK d.o.o.

The future concessionaire /strategic partner would be expected to participate in modernisation of existing, construction of new capacities and acquisition of equipment for the airport commercial operations.

The project currently envisages three options : recapitalization, repurchase of existing shareholders, concession with the features of the public-private project partnership (PPP) or concession agreement.

Time to invest:
IN THE PIPELINE

ZRAČNA LUKA RIJEKA d.o.o.

The project includes reconstruction and expansion of the passenger building, reconstruction and expansion of the aeroplane parking platform, construction of storage and manipulation facilities for management of goods transported via air and addition and reconstruction of existing aeroplane taxiway.

The project currently envisages three options : recapitalization, repurchase of existing shareholders, concession with the features of the public-private project partnership (PPP) or concession agreement.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Croatia



Other projects

PETROKEMIJA d.d.

PETROKEMIJA d.d. is the leader in fertilizer market in Croatia and also a significant player in the regional market.

By the decision of Government of the Republic Croatia (dated 11 May 2016), PETROKEMIJA d.d. is erased from the list of the companies regarded to be of strategic and special interest for Republic of Croatia, which is the first step in its preparation for possible privatisation.

PETROKEMIJA d.d. is approx. 80 % owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE

CROATIA OSIGURANJE d.d.

The project includes reconstruction and expansion of the passenger building, reconstruction and expansion of the aeroplane parking platform, construction of storage and manipulation facilities for management of goods transported via air and addition and reconstruction of existing aeroplane taxiway.

The project currently envisages three options : recapitalization, repurchase of existing shareholders, concession with the features of the public-private project partnership (PPP) or concession agreement.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Croatia



CROATIA AIRLINES d.d.

CROATIA AIRLINES d.d. is Croatian largest aviation company for the air transport of passengers, with almost 30 years tradition. In its aircraft fleet, CROATIA AIRLINES d.d. owns and possess 12 modern aircrafts connecting passengers from Croatia to main European and world destinations.

By the decision of Government of the Republic Croatia (dated 11 May 2016), CROATIA AIRLINES d.d. is erased from the list of the companies regarded to be of strategic and special interest for Republic of Croatia, which is the first step in its preparation for possible privatisation.

CROATIA AIRLINES d.d. is approx. 99% owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE

LUKA RIJEKA d.d.

LUKA RIJEKA d.d. is one of the most significant Croatian companies for shipping and reload of dry cargo. LUKA RIJEKA d.d. offers services in maritime traffic, port services, as well as the storage of cargo in specializes terminals.

By the decision of Government of the Republic Croatia (dated 11 May 2016), LUKA RIJEKA d.d. is erased from the list of the companies regarded to be of strategic and special interest for Republic of Croatia, which is the first step in its preparation for further privatisation.

LUKA RIJEKA d.d. is approx. 33% owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE

PODRAVKA d.d.

PODRAVKA d.d. is one of the leading food and pharmaceutical companies in the southeast, central and eastern Europe. It conducts its business activities in more than 40 markets all over the world.

By the decision of Government of the Republic Croatia (dated 11 May 2016), PODRAVKA d.d. is erased from the list of the companies regarded to be of strategic and special interest for Republic of Croatia, which is the first step in its preparation for further privatisation.

PODRAVKA d.d. is approx. 25% owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Croatia



AGROLAGUNA d.d.

AGROLAGUNA d.d. is the Croatian company which conducts business activities in the field of viticulture, olive-growing and livestock, in broader sense agriculture business activities. AGROLAGUNA d.d. is the part of AGROKOR d.d and one of the leading players in Croatian agriculture market.

AGROLAGUNA d.d. is approx. 14% owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE

JADROLINIJA d.d.

JADROLINIJA d.d. is Croatia's largest shipping company for the maritime transport of passengers and vehicles, with a 100 year long tradition.

JADROLINIJA d.d. is 100% owned by Republic of Croatia.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Macedonia



A NEW MALL IN THE CENTER OF SKOPJE TO BE BUILT

A new mall located on the building of now the “European University”, in the center of Skopje is waiting on its investors. The planning for the beginning and the size of the building are yet unknown. According to our information, the owner of the building of the University is seeking for an investor to build a facility with a commercial and business purpose that will be very adequate for the attractive location. The “European University” is now located next to the building Nova Makedonija, just across the theatre “Comedy”, around 10 minutes walk from the central square Macedonia.

Time to invest:
EXPECTED SOON

THE FIRST MACEDONIAN GOLF COURSE IS SEEKING FOR INVESTOR

The municipality of Zelenikovo intends to build a luxury resort with golf courses by entering into a public-private partnership or concession. The concessionaire or the partner will get the space provided for this purpose for a period of 30 years. According to the municipality, the value of land is more than 70 million denars (app. 1.138.211 EUR).

In accordance to our source, three criteria will be crucial in deciding, which will be: the annual fee for the concession, the number of potential jobs, and the number of beds in accommodation facilities that will be built.

The idea for the construction of golf courses in Skopje Zelenikovo came from the Macedonian government several years ago. Its plans were on the move to build a sports complex of 65 hectares. In order to realize the grip, the government last year conducted a feasibility study to assess the justification of the selection of the private partner or concessionaire for the project.

Time to invest:
EXPECTED SOON



Investment Opportunities

Macedonia



INVESTMENTS IN THE AUTOMOBILE SECTOR

The recent investments in the automobile industry in the country have significantly contributed to the growth of the sector. Namely, the start of the manufacturing activities the American company Delfi is scheduled for the second half of 2016. The investments of this automobile company are to be finalized in several phases, with the total value of EUR 15 million. Another American company, Key Safety Systems (KSS) began constructing new building in Kicevo industrial zone. The process is expected to cost EUR 20 million, and to result in employment of around 1,000 persons. While, in July 2016 Gentherm already started the production in Prilep, providing employment opportunities for around 2,000 people of Macedonia, the German company Kostal has been finalizing the construction of its new capacities in industrial zone Struga-Ohrid. ODV Electric is also building a new facility in the industrial zone Struga-Ohrid. In accordance to the initial plans, the capacity is expected to provide employment for around 1,000 persons and cost EUR 15 million.

Time to invest:
HOT



Investment Opportunities

Montenegro



FOREIGN DIRECT INVESTMENTS

On the basis of existing trade agreements with the EU countries and Russia, in addition to its membership in CEFTA and EFTA Free Trade Association, Montenegro has access to a market of 650 million consumers.

- Foreign Direct Investments are seen as significant contributing factor for continuous future growth and development. Procedures have been simplified and made available to foreign natural persons and legal entities interested in investing or incorporate a company branch in Montenegro.
- Montenegrin tax system is one of the most competitive in Europe (Corporate Income tax rate is set at 9% and the VAT rate at 19%)
- Legal formalities for a company formation are quick and simply (4 days are sufficient to incorporate a company)
- Sectors attracting most of the investments are finance, tourism, energy, infrastructure and real estate
- appeal of Podgorica

PORTS OF MONTENEGRO

With its five large commercial and ferry Ports (Bar, Herceg Novi, Tivat, Kotor and Zelenika), Montenegro represents an important economic and shipping location. City of Bar is an important logistics hub in South East Europe, boasting a large port well connected to global transport network and major international shipping centers.



Investment Opportunities

Montenegro



CITY OF PODGORICA

Investment incentive measures have been provided to investors in the capital of Montenegro, Podgorica, resulting in remarkable multi-million investments by the private sector. It is expected that these investments will significantly boost future economic activity and overall investment climate. Important infrastructure projects in Podgorica today are:

- Main Project of the South Detour from the Trunk Road Podgorica - Cetinje to the Trunk Road Podgorica – Petrovac - the project is realized by the Capital City of Podgorica and the Traffic Directorate
- Construction of wastewater treatment plant – the project is realized in cooperation with the Government of Montenegro, financed under a favorable arrangement by German KfW Development Bank.

Time to invest:
HOT

BUSINESS ZONES IN MONTENEGRO

Over the past decade, Montenegrin authorities have created a favourable business environment by opening new avenues for investment in order to increase its exports of goods and services

Aiming to attract larger number of companies and entrepreneurs in production and service sectors, eight municipalities in Montenegro have established their Business Zones.

Business zones are a project aimed to encourage development of small and medium enterprises, encourage investments, increase employment and develop new technologies and equipment.

Companies are provided with tax benefits and tax incentives. A taxpayer that generates profit in a newly established production company in underdeveloped municipalities shall be entitled to a profit tax deduction for 3 years.

Time to invest:
HOT



Investment Opportunities

Serbia



AIRPORT NIKOLA TESLA – BELGRADE

The Serbian government has resumed plans of privatizing Serbia's busiest airport in 2016 and the tender is expected to be announced in autumn 2016.

The airport is operated by the Public enterprise "Aerodrom Nikola Tesla Beograd" and it recorded a net profit of RSD 1.4 billion for the first three quarters of 2014. As of 2014, Belgrade Nikola Tesla Airport is the second fastest growing major airport in Europe.

Time to invest:
HOT

DUNAV OSIGURANJE A.D. (INSURANCE)

Dunav osiguranje a.d. is the largest insurance company on the Serbian insurance market and the only State-owned insurance company licensed for all types of insurance. Government of Serbia currently remains as its majority shareholder. Out of 25 licensed insurance companies currently operating in Serbia, Dunav market share was 27.80%, based on number of insurance policies issued, operating 29 main branches and 600 selling points. Its market share in Q4 2014 for non-life and life insurance respectively was 30.33% and 8.50%, based on total premiums. The company presents itself as a significant investment opportunity to a potential investor, with Government of Serbia appearing receptive to the idea of selling its majority holding in the company.

Time to invest:
EXPECTED SOON

KOMERCIJALNA BANKA

The Republic of Serbia has appointed financial and legal advisors to help manage the sale of a majority stake in Komercijalna Banka, the country's second largest lender. With total assets of 3.16 billion Euro and a market share of approximately 13.4%, the bank is the second largest in Serbia behind Banca Intesa. The state is the single largest shareholder in Komercijalna Banka with 41.7 %.

Time to invest:
IN THE PIPELINE



Investment Opportunities

Serbia



STATE LOTTERY OF SERBIA D.O.O.

The Government of Serbia is currently deliberating on the future of the State Lottery of Serbia and seeking a strategic foreign partner. At present, it is undergoing consultations with number of foreign companies. According to information coming from the Government sources, most likely model of acquisition is going to be public-private partnership (PPP), similar to the model selected in Etihad-Air Serbia case, which has proven to be one of the most commercially successful acquisitions of a Serbian state company by a foreign company.

Time to invest:
IN THE PIPELINE

PKB AGRICULTURAL CORPORATION – BELGRADE

PKB Corporation is one of Serbia's leading companies in area of agricultural primary production. The main business activities of the company are livestock production, milk production, livestock food production and production of agricultural seeds. The company presents opportunities for significant growth in performance and productivity, subject to new investment in machinery and production technology.

The first tender privatization attempt for sale of assets of PKB holding company and affiliated subsidiary companies has failed in March this year and the second model of privatization will be known by early May.

The most valuable asset pool of the corporation represents agricultural land in close proximity to Belgrade and major arterial roads. The subject of sale includes 17,677 hectares of land in Belgrade municipalities of Palilula, Surcin and Zrenjanin.

The estimated value of the fixed assets is EUR 301,9 million, the estimated value of the variable assets as at 31 December 2014 amounted to EUR 39,6 million. The starting price of failed privatization attempt (51% of the estimated value of fixed assets) was EUR 154,9 million.

Time to invest:
HOT



Investment Opportunities

Serbia



VICTORIA GROUP

Victoria Group a.d. is the Serbia's leading agricultural production company with 1700 employees and cooperating successfully with more than 40,000 farmers through 300 cooperatives. Its core business includes procurement, distribution and processing of oilseeds and grains, in addition to production and distribution of fertilizers, animal feed, pharmaceutical and biological products. Over the past 10 years the Group has invested over €200 million in Serbia and its exports results position the Group among Serbia's largest net exporters. The Group products are sold in 40 countries across the world, and as much as 80% of its products are sold to EU markets. The valuable investment opportunity is open to a potential investor due to recent announcements by Victoria Group that it intends to sell certain companies forming part of the Group.

Time to invest:
HOT



Investment Opportunities

Slovenia



LIV KOLESA D.O.O.

The company is situated in Postojna and employs 160 people. It has an annual turnover of approximately 11 million Euros. Their production consists of three programs: wheels and castors, wheelbarrows and technical products from metal. They export about 2/3 of their products to 25 countries worldwide, which makes them a very successful competitor on international markets. The BAMC gained 100% ownership of the company in 2013 and successfully handled their liquidity issues. The company's plan as stated in their annual report is to expand even more by developing a new segment of wheels with especially high load carrying capacity, which opens up new markets and trading opportunities, which is why Liv kolesa may be of interest to certain investors. Potential strategic partners should also be very interested in investments in the company, as the company is developing new and advanced solutions in the market for wheels and castors, wheelbarrows and technical products.

Time to invest:
EXPECTED SOON

ALPINA D.O.O.

Alpina, d.o.o. was formerly known as Žiri Shoe Factory and changed its name to Alpina, d.o.o. in January 1951. The company was founded in 1947 and is based in Žiri, Slovenia. They produce and sell footwear. The company offers winter sports footwear, including cross-country ski boots; and mountaineering, backpacking, hiking, approach, city and walking, BINOM, winter trekking, junior, military, hunting, and work and safety shoes. It also provides pumps, ballerina flats, comfort lines, and sandals for women; and low shoes for men. The company sells its products through distributors in Estonia, Croatia, the United States, Ukraine, Montenegro, Canada, Sweden, Romania, Germany, the Russian Federation, England, France, Switzerland, and the former Yugoslavia, as well as other countries in Europe. It has 41 shops in Slovenia, 31 in Croatia, 13 in Bosnia and 8 in Serbia. Due to the goodwill of the company, especially in the former Yugoslavian countries, potential investors looking for expansion into these markets should be interested in partnership with the company.

Time to invest:
EXPECTED SOON



Investment Opportunities

Slovenia



MERKUR NEPREMIČNINE D.D.

Merkur was founded on 1896 and has grown into an international group with more than 2,800 employees. The group declared bankruptcy in 2014 and no longer exist, however it transferred most of its property and equipment to Merkur nepremičnine (Merkur real-estate). The latter is now the contract manager of all 23 retail and logistics capacities of Merkur Shop d.d.,. The main activities of the company Merkur nepremičnine d.d. are the sale of premises, renting out company's own vacant premises and facility management. Investors should be interested in investments in Merkur nepremičnine due to the fact of its well-known brand and the fact that it operates many retail and logistics capacities which should be of interest for potential strategic partners.

Time to invest:
EXPECTED SOON

THERMANA D.D. (THERMANA LAŠKO)

Since last year this Slovenian spa and health resort is owned by BAMC. Thermana's business is based on two luxury hotels, Hotel Thermana Park Laško and Hotel Zdravilišče Laško. With 162 years of medical history, Thermana Laško is known as the epicentre of medical rehabilitation. Today with its rich tradition, it is becoming one of the most important health spas and tourist centres in Slovenia. With tourism, especially spa tourism on the rise, Thermana is a great investment opportunity.

Time to invest:
EXPECTED SOON

EKOEN d.o.o.

The company's activity is the production and distribution of ecological energy from biomass. They have already built a large number of district heating systems using biomass (eg in Luče, Solčava, in Podrožnik Mozirje, in elementary school in Mozirje, in Postojna, Rogla ...). For other investors they have designed and implemented a large number of district heating systems with installed boilers of different capacities. Doing this they have gained much experience in district heating systems. With rising demand for environmentally friendly energy, Ekoen is a great business opportunity for potential investors, who will be able to buy up to 49,07 % of the company. This share is currently owned by the Slovenian Sovereign Holding (SSH).

Time to invest:
EXPECTED SOON



TLA

News

TLA TOP RANKED IN CHAMBERS GLOBAL 2016

Chambers Global 2016 edition has recognized TLA Top-tier Legal Adriatic as one of the Leading Regional Law Firm Networks – Europe-wide.

As one of the most respected directories in the legal profession and a reputable source for legal rankings, Chambers Global researches the legal markets of more than 180 countries, identifying the leading lawyers and law firms worldwide.

4TH ANNUAL WORKOUT & RESTRUCTURING CONFERENCE IN VIENNA

TLA Top-tier Legal Adriatic (TLA) as a leading regional legal network was a sponsor of the 4th Annual Workout & Restructuring conference which took place in Vienna on 19-20 May.

Nikola Poznanović, Partner at JPM Janković, Popović, Mitić/TLA Serbia participated in the panel discussion on NPLs in Slovenia, Croatia, Serbia.

The annual Workout & Restructuring Summit brings together leading international participants and stakeholders in discussions on opportunities and challenges in the Central European region. This event has attracted Restructuring & NPL professionals from all around Europe, with particular emphasis on Austria, Germany, CEE, the Baltics, the Balkans and CIS.

Now in its fourth year, this conference has firmly established itself as a prime meeting forum for Central European restructuring professionals.



TLA

News

THE 9TH BALKAN LEGAL FORUM, VIENNA

The 9th Balkan Legal Forum, a bi-annual legal conference (also known as “The Forum of Professional Friends”) was held in Vienna on 27-28 June. The event attracted over 150 delegates from 30 countries, representing Europe, America, Africa, Asia and Australia.

Top-tier Legal Adriatic (TLA) featured prominently as the event sponsor and TLA partners Mr Boris Šavorić (Šavoric & Partners – TLA Croatia) , Mr Bojan Šporar (Rojs, Peljhan, Prelesnik & Partners – TLA Slovenia) and Mr Dragan Dameski (Debarliev, Dameski & Kelesoska – TLA Macedonia) participated as panelists.

The main theme on the first day of the conference was “South East Europe – Investment opportunities and challenges for the next five years”. Prominent topics included Private Equity activity in SEE, leading trends in most active sectors across South East Europe – Banking, Telecoms, Energy and infrastructure, Distressed Banks and NPLs as an Investment Opportunity.

Additional topics that were covered at the conferences included theories/realities of investment disputes, current oil price environment/ramifications on the region, as well as greatest practical concerns of buyers/ investors encountered during the M&A process.

Balkan Legal Forum is a conference organized by the IBA European Regional Forum and the Legal Development Foundation, backed by the IBA Law Firm Management Committee.

TLA AT THE IBA ANNUAL CONFERENCE WASHINGTON 2016

The IBA Annual Conference was held between 18-23 September 2016 in Washington DC. Over 6000 legal professionals attended the conference, with more than 200 working sessions. TLA members attended the conference, exchanging information and best practices with colleagues from all over the globe and informing the participants about latest legal developments, overall market trends and business opportunities in South East Europe.

About

TLA

Alliance

Top-tier Legal Adriatic (TLA) is a Vienna-based alliance of leading law firms operating in the Adriatic region. We are an association of independent business law firms with an excellent reputation obtained both locally and internationally, providing a full range of legal services to international and national foreign and domestic clients hailing from various industries in establishing, building and maintaining their presence in Adriatic region.

Members' Top-tier ranking

TLA members are the most prominent law firms with local market understanding and international expertise. They have been carefully selected based on their outstanding achievements as confirmed by their top-tier ranking in the leading global legal directories.

Shared common vision

Searching for legal advice and a reliable law firm offering quality local support, particularly for multi-jurisdictional projects, is a well-known problem which TLA's shared vision aims to solve. TLA is strongly determined and has adopted standards of the alliance by offering the regional union of top ranked law firms in order to overcome the difficulty of finding and hiring qualified local counsel in not-so-well-known markets.

Carefully chosen members

TLA has joined together like-minded firms committed to observing and maintaining the commonly adopted principles. The crucial membership criteria are immense legal knowledge, integrity, vast professional and life experience of the lawyers, and long-standing tradition of the member firms. The decades of members' participation in and completion of landmark transactions in the Adriatic region make TLA the most experienced legal alliance in this part of Europe.

About

TLA

Resources

TLA is a multinational team of 6 law firms with over 100 legal experts providing not only the highest quality of service but also prompt, efficient and cost-effective legal aid, with the full capacity to allocate the appropriate attorney or team of attorneys for every assignment at all times.

One stop shop concept

The client does not have to “walk all over town” looking for a legal service in each jurisdiction. Knocking on the door of TLA or any of its member firms is sufficient to obtain any kind of legal advice in any country of the Adriatic region.

Premium legal service

TLA members are committed to providing clients with outstanding, well-timed and cost-effective legal services, as well as to advancing and upholding solid client relations and tailor-made service of the highest standard, aided by the wealth of international resources and know-how shared amongst alliance members. TLA's seat in Vienna ensures clients ease of access due to its favourable geographical position, facilitating communication and meetings arrangements.

TLA

Members

[Rojs, Peljhan, Prelesnik & Partners](#)

48 Tivolska Street, 1000 Ljubljana, Slovenia
slovenia@toptierlegal.org
www.rppp.si

[Šavorić & Partners](#)

1A Ilica/14th floor, 10000 Zagreb, Croatia
croatia@toptierlegal.org
www.savoric.com

[JPM Jankovic Popovic Mitic](#)

6 Vladimira Popovica Street, 11000 Belgrade, Serbia
serbia@toptierlegal.org
www.jpm.rs

[Tkalcic-Djulich, Prebanic, Rizvic and Jusufbasic-Goloman](#)

Maršala Tita 38/II, 71000 Sarajevo, Bosna i Hercegovina
bosnia@toptierlegal.org
www.tk-du.ba

[Debarliev, Dameski & Kelesoska Attorneys At Law](#)

2 Mirce Acev street 2/3rd floor, 1000 Skopje, Macedonia
macedonia@toptierlegal.org
www.ddklaw.com.mk

[Law Office Vujacic](#)

56/2 Boulevard I. Crnojevica, 81000 Podgorica, Montenegro
montenegro@toptierlegal.org
www.lawoffice-vujacic.com

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