

# Macedonia

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## Legislative developments in Macedonia

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The development of the legal framework of Macedonia's market-oriented economy is nearly finished. The country has adopted the general principle that appropriate legislation promotes the development of the private sector, leading to recent legislation such as the Trade Companies Law, the Law on the Protection of Competition, the Bankruptcy Law, the Law on Trade, the Consumer Protection Law and the Law on International Trade Arbitrage. These laws are harmonized with corresponding EU legislation, although because of certain aspects distinctive to the Macedonian legal system, this has not been a simple process.

The establishment of the one-stop-shop system was contained in the Trade Companies Law during 2004. The country needed to simplify all formalities regarding the registration of companies and other legal entities and to shortcut the registration time period (which used to last several weeks or months because of the existence of many procedures and many different bodies). The usual system of publishing the data in paper form (that is, by filling in application forms) was considered obsolete.

From January 1 2006, the Law on One-Stop-Shop Systems and the Management of the Trade Register, and the Register of Other Legal Entities (adopted in 2005) transferred the management of the trade register to the central register. The registration of companies is now handled by the central register's regional registration offices in Skopje, Bitola and Stip.

In practical terms, registration involves the following steps:

- obtaining a letter of intent to open an account from the business bank chosen by the legal entity (online letters of intent are planned for the future);
- submitting the application form with the prescribed enclosures – documents and evidence (the applicant immediately receives confirmation of the receipt);
- the scanned data from the application form and the scanned enclosures are stored in a database; the registrar checks and approves the application;
- after approving the application, the central register automatically specifies the unique ID number of the company and informs the Public Revenue Office (the appropriate tax authority);
- the Public Revenue Office specifies the tax number of the company and informs the central register, which adds it to the other data relating to the company;

- the central register sends all the data relating to the company (including the tax number and the unique ID number) to KIBS (the central point of contact between the banks and the central register), which checks the data and transfers it to the chosen bank;
- the chosen bank specifies the account number and informs the central register;
- no later than five days after receiving the application form a registration decision is issued automatically and published on the website; and
- after the registration process is complete, the data relating to the company is sent to the State Statistics Institution and to Customs Administration.

The law is beneficial for a number of reasons: (i) the creation of an accurate and easily accessible company database; (ii) a shortening of time periods for registration (five days); (iii) a reduction in registration costs; (iv) the elimination of the administrative limitations during the registration process; (v) the creation of the possibility for foreign investment; and (vi) the acceptance and practical implementation of the best EU practices and EU directives in this area.

All data from the trade register and the register of other legal entities are available to the interested parties (individuals or legal entities), without proving their legal interest. Electronic access to the registered data is available through the central register's website. The registration process is effected without any delay, and with fewer costs. Even in the event of data being erased from the register, the erased data is still available to the interested parties.

The one-stop-shop system unifies all relevant information and procedures, eliminating the need to conduct several separate procedures, as it was case under the old trade register system.

The registration forms are available free of charge in all regional registration offices and online. The electronic application forms, the online application and the electronic processing of the data replaced the paper form, further speeding up the process.

The central register also manages the trade register and the register of other legal entities, including the court register, the register of water supply associations, the register of civil associations and foundations and the register of chambers.

## Corporate and commercial

### Recommended firms

#### Tier 1

Lawyers Antevski  
Law Offices Knezovic  
Mens Legis Cakmakova Advocates  
Polenak Law Office

#### Tier 2

Debarliev Dameski & Kelesoska  
IKRP Rokas & Partners  
Monevski Law Firm  
Pepeljugin Law Firm

### Lawyers Antevski

Lawyers Antevski is highly regarded by peers and rivals alike, almost exclusively representing the interests of foreign clients in Macedonia from its main offices in Skopje and through representative offices in Liechtenstein and Vienna. The firm has again added to its personnel over the past 12 months with the arrival of associate Aleksandra Crceva from the Appellate Court in Skopje, and remains well respected for advice on commercial law, investments, privatizations and due diligence reports, as well as international arbitration and real estate.

The firm recently advised a subsidiary of Porsche Macedonia on a variety of financial agreements, as well as on Macedonian regulations regarding financing, valued at €20 million. The firm also represented the interests of CEZ, a Czech electricity distribution company, in the tender process regarding the purchase of company shares in the privatization of AD ESM, a distribution company valued at €225 million. Elsewhere, Lawyers Antevski acted for SHCR Holding Switzerland and Heinz Lehmann regarding the purchase of shares in a Macedonian limited liability company.

In other standout deals, Lawyers Antevski offered legal advice to Mittal Steel on the takeover regulations of stock-holding companies in Macedonia, and gave legal advice to Porsche Austria regarding its entry into the Macedonian market.

#### Leading lawyer

Zlatko Anteveski

#### Key contact partner

Zlatko Anteveski

### Law Offices Knezovic

Law Offices Knezovic is a “young and quite small” firm that focuses most of its attentions on corporate and commercial work in Macedonia. According to market observers, despite its size the firm has a good reputation, not least because of the experience of name partner Dejan Knezovic, described by one peer as “a very skilful lawyer”.

In May 2006 the firm advised Soravia Bautraeger on an acquisition of a local business centre and real estate development valued at €20 million. Earlier in the year, in March 2006, the firm acted for the government on the sale of AD ESM, a Macedonian power distribution company, for €250 million.

The firm's other prominent clients include Mittal Steel and Feni Industri.

#### Leading lawyer

Dejan Knezovic

#### Key contact partner

Dejan Knezovic

### Mens Legis Cakmakova Advocates

According to rivals, Mens Legis Cakmakova Advocates is a “very decent and well recommended” firm that provides a full range of legal services to commercial and private local and international clients. Name partner Biljana Cakmakova is also well respected by market observers, one client stating that “she is a well-established lawyer, and the history of the service she provides is very good”.

Recently the firm acted as legal advisor to EVN Austria in the tender process for the privatization of ESM Macedonia, a state-owned distribution and electricity supply company. The firm, also the legal representative and advisor to Media Development Loan Fund New York, acted for Telecom Slovenije in the takeover process of Skopje information technology company On.net, and provided legal advice to EUBK Holding in a bank acquisition in Macedonia.

Other clients include the EBRD, Zveva Bank of Austria, ICN Pharmaceuticals, IBM, Embraer of Brazil, Bombardier Aerospace, Berlioz Consulting, Japan Tobacco Industry, Proctor & Gamble Eastern Europe, Aqua Source, Fuchs Petrolub and Alcatel Services International. The firm has also received referral work from leading international firm Freshfields Bruckhaus Deringer regarding the regulation of the tobacco industry.

#### Leading lawyer

Biljana Cakmakova

#### Key contact partner

Biljana Cakmakova

### Polenak Law Office

Polenak Law Office is one of the leading law offices in Macedonia, and has a good reputation for advising on privatizations of state-owned companies. The firm's practice is focused on major mergers and acquisitions involving local and international investors, legal due diligence reports and numerous commercial and financial transactions. Name partner Kristijan Polenak is well-regarded by rivals, one stating “he is a very decent lawyer with a good reputation for success”.

Among the year's highlights, the firm advised Citigroup Global Markets in a Macedonian eurobond issue worth €150 million, acted as Macedonian legal counsel to the investment banking arm of Unicredito and Magyar Telecom in a purchase of shares in Macedonian Telecom by Magyar Telecom for €61 million, and guided Depfa Bank through its provision of a €41 million loan provided to Elem, a Macedonian power production company.

In the past year the firm hired associate Slobodan Hristovski, bringing the number of lawyers dedicated to corporate and commercial work to seven.

#### Leading lawyer

Kristijan Polenak

#### Key contact partner

Kristijan Polenak

### IKRP Rokas & Partners

IKRP Rokas & Partners is fully incorporated into the international IKRP network of legal and business firms that spreads across central and south-eastern Europe from its headquarters in Greece. The firm offers advice on a wide range of financial and corporate law and dispute resolution matters.

#### Key contact partner

Theodoros Giannitsakis