

# Macedonia

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**Zlatko Antevski  
 Lawyers Antevski  
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Company law in Macedonia is now regulated by the Law on Trade Companies, which entered into force in May 2004.

As a company form, the limited liability company (LLC) is defined as a company in which one or more physical or legal persons participate with one share in the already defined company capital of the LLC. The shareholders' shares can be in different amounts. The shareholders of the company are not personally liable for the company obligations.

The shares of the shareholders are registered into the register of shares of that company. The status of shareholder only applies to a person who is registered as a company shareholder in the company register.

According to the law, the shareholders have a right to dispose of their shares, subject to conditions in the shareholders' agreement. The shares can be transferred in the way defined in the company's establishing agreement (company agreement). The shareholder can transfer its share in whole or in part. The share can be transferred by share-transfer agreement, which has to be notary certified. Any share transfer that is done in a way that is contrary to legal regulations or contrary to the company agreement is null and void.

Shares can be transferred to a third person (a person outside the company) only if the share has been paid in full by the shareholder. The priority right on share transfer can be realized in the following order: the other shareholders in the company; and a person determined as a buyer by the company.

If the other shareholders or the person determined by the company do not state that they want to buy the offered share within 30 days of the offering, the shareholder offering the share for sale is free to realize their right to share transfer, provided there are no further special conditions on share transfer in the company agreement.

**Share transfer in inheritance cases**

Share transfer in inheritance cases cannot be restricted.

If one shareholder dies, the legal representative of the property of the deceased person will realize all rights and will take over all obligations that arise from the shareholders relationship, including all other rights and obligations that have been realized

by the deceased shareholder according to the company agreement. If a share is inherited, the company agreement can stipulate that the successor is obliged to transfer the inherited share to one of the existing shareholders or to a person appointed by the company. If the parties do not agree otherwise, the price should reflect the value of the share according to the last balance of the account. If, within 30 days of the company learning about the successor, the company does not require the successor to transfer its share, the obligation on the share transfer ends. This regulation also applies to share acquisitions based on buying someone's property as totality.

In a share transfer, the rights and obligations arising from the shareholder's relationship pass to the person acquiring the share. All the legal actions that had been undertaken towards the previous shareholder remain in force, as do the legal actions that the previous shareholder had undertaken before the share transfer. They must be reported and registered into the company shares register.

While registration of the share transfer is being submitted to the company for inclusion in the shareholders register, the person that acquired the share and their predecessor are jointly liable for the obligations that existed on the day of the share transfer in accordance with the participation of the share in the basic company capital.

The right on requirement on realization of the activity mentioned above expires within one term of five years from the date of submitting the application on the share transfer into the shareholders register of the company.

The person that acquired shares is obliged to submit an application for change of the property over the share in the company's shareholders register.

The application to register shares into the shareholders register contains the name of the person that acquired the share, a statement that they agree to be a shareholder of the company and a statement that they entirely and unconditionally accept the regulations of the company agreement.

**Division of shares**

A share in the company can be divided. The division of the share can be done only in case of a share transfer, legal succession of one shareholder or in the case of inheritance. The division cannot create shares that have a value less than the legal minimum value (€100 (\$1.23)).

The company agreement can prohibit share division, except if the share transfer is between existing shareholders of the company.

More than one person can have common property over one share. The persons that own the share have the status of one shareholder and they can execute their rights only by a common representative. They are jointly liable for the obligations arising from the common share. Each of the common owners is obliged to give to the company the same information required by law for a single shareholder (that is, name and family name, personal number, passport number or personal identity card number, and place of residence, or, if the shareholder is a legal person, headquarters).

## Corporate and commercial

### Recommended firms

Tier 1

**Lawyers Antevski**

**Mens Legis**

**Mens Legis Cakmakova Advocates**

**Pepeljgoski Law Office**

**Polenak Law Office**

Tier 2

**IKRP Rokas & Partners**

**Law Offices Knezovic & Associates**

**Law Office Spirkovski**

**Monevski Law Firm**

### Lawyers Antevski

Antevski's team of lawyers is highly regarded by peers and clients in the market, one high-profile client commenting that "Mr Antevski and his colleagues were always good humoured, polite and consistently achieved the sometimes challenging deadlines that we set". The firm's clients include the World Bank and the Bank of Athens. To cope with the high workload handled by the firm, three associates have recently joined the ranks, bringing the total number of lawyers dedicated to corporate and commercial work to eight.

In December 2004 Lawyers Antevski advised Avon Cosmetics on its market entry into Macedonia. The firm was also recently involved in acting for LBBW Bank and German leasing company Sud Leasing on the Macdonian legal regulatory system governing cross-border leasing arrangements, as well as being instructed to review a purchase agreement and pledge agreement.

The firm has also provided legal advice to HSH Nordbank on the legality of various documents signed in connection with the purchase and delivery agreement between MacHydro and GE Energy. And in October 2004, the firm represented Austria Tabak Co & KG in connection with the regulatory framework surrounding the advertising and packaging of tobacco products.

Lawyers Antevski has a well-developed relationship with Leichtenstein firm Ari Anstalt, with which it cooperates on various projects. It is also involved in various activities in eastern and south-eastern Europe and the Middle East.

### Leading lawyers

Zlatko Antevski

Sokol Elmazi

Irena Petkovska

Slavica Trckova

### Key contact partners

Zlatko Antevski

Sokol Elmazi

Irena Petkovska

Slavica Trckova

### Mens Legis

Mens Legis was founded in 1995, making it the oldest firm in Macedonia, and is an experienced commercial legal adviser to national and international clients. The firm prides itself on its global reach, and has associate offices in New York, London, Paris, Rome, Milan, Berlin, Moscow, Brussels, Athens, Dubai, Sofia, Tirana, Stockholm, Washington DC, Vienna and Monte Carlo.

Mens Legis handles a steady stream of mandates. Most recently, the firm was involved in the privatization of the biggest tobacco corporation in Macedonia. The firm's impressive client list includes IBM, McDonald's and Deutsche Telekom.

### Leading lawyer

Ljubica Ruben

### Key contact partner

Ljubica Ruben

### Mens Legis Cakmakova Advocates

Senior partner Biljana Cakmakova runs Mens Legis Cakmakova, overseeing a team of four other partners and four associates. The firm has experience of providing advice on the full range of corporate and commercial matters, and maintains a steady flow of work from a wide range of clients.

Among the standout instructions of the past year, the firm acted on the USAid-funded Macedonia corporate governance and company law project, and provided technical assistance in relation to the European Agency for Reconstruction's Cards programme, specifically in the area of copyright and related rights protection.

### Key contact partner

Biljana Cakmakova

### Pepeljgoski Law Office

Pepeljgoski Law Office remains one of the leading firms in the corporate and commercial arena. Clients of this firm include

Tutunski Kombinat – Skopje, Makedonska lotarija, Pivara Skopje, Alkaloid Skopje, Makedonija Tabak 2000, Makpetrol Skopje, SEAF Macedonia and the Macedonian Broadcasting Council, among others.

The firm's recent finance instructions include advising SEAF Macedonia on a €300,000 (\$373,500) deal with Tinex, representing the same client on a €200,000 deal with Pilko, and acting for Arkada Makedonia on its €250,000 set-up and its €2 million bond issue in February 2004.

Recent deals in the M&A sector, meanwhile, saw the firm advising Manakifm in connection with the €500,000 increase of the company's capital, and in respect of its investment in multiplex cinemas.

#### Leading lawyer

Valentin Pepeljugoski

#### Key contact partner

Aleksandar Trajkovski

#### Polenak Law Office

Clients of "excellent" firm Polenak Law Office include leading Macedonian companies such as Mobimak, Alkaloid, the hotel chain Makedonijaturist, as well as an impressive range of international organizations such as the World Bank, Coca-Cola, Philip Morris and Kraft. Name partner Christian Polenak is commended highly by his peers, while one client describes him as "very good, and able to find solutions".

The firm's track record shows it to be a solid firm to turn to for advice on matters in the telecommunications sector. In one standout deal, the firm acted as local counsel to Macedonian Telecom when 51% of it was bought by a consortium led by Magyar Távközlési Részvénytársaság (the Hungarian telecommunications company), in what was one of the biggest foreign investments in Macedonia to date. After this, the firm served as legal adviser in connection with setting up Macedonia's first mobile telecommunications operator, Mobimak, and has been retained as ongoing counsel to Mobimak.

#### Leading lawyer

Christian Polenak

#### Key contact partner

Christian Polenak

#### IKRP Rokas & Partners

IKRP Rokas and Partners has been fully integrated into the international IKRP network (which is headquartered in Greece and stretches across south-eastern Europe) since 1999. It offers advice on a wide range of financial and corporate law and dispute resolution matters. IKRP has recently advised on the privatization of several state-owned companies.

#### Key contact partner

Theodoros Giannitsakis

#### Law Offices Knezovic & Associates

Law Offices Knezovic & Associates advises on a variety of corporate, commercial and banking matters, and has been in operation since 2001. Clients of the firm include British American Tobacco, the National Bank of the Republic of Macedonia, Supreme Foodservice, Autocomme, Makfluid and Harrison.

Name partner Dejan Knezovic continues to come highly recommended by the Macedonian legal community. At the time of writing, the firm is working alongside Monevski Law Firm in relation to the privatization of Macedonia's energy sector.

#### Leading lawyer

Dejan Knezovic

#### Key contact partner

Dejan Knezovic

#### Monevski Law Firm

Valerijan Monevski is considered to be one of the leading lawyers in Macedonia, and has over 18 years of experience under his belt. Monevski Law Firm has an enviable international client list that includes the European Bank for Reconstruction and Development, the US Embassy (in the Macedonian capital Skopje), Caterpillar and Qantas.

The firm recently acted on behalf of Maple Financial Group in respect to its asset purchase of Balkan Steel, a role that required the firm to undertake complete due diligence work and draft the relevant documentation such as share purchase agreements, pledges and ensuring the correct implementation of bankruptcy procedures. On the World Bank-financed PDAF project, the firm acted as local legal counsel on behalf of Exergia Athens in connection with the Macedonian sustainable programme for energy efficiency development.

Monevski also acted on two deals involving hydropower plants; in the first it provided legal advice to Makhidro AD Skopje and in the second, in May 2005, it represented Turbonstitut Slovenia on the plant's construction. The following month, the firm was retained by PCE in respect of the joint venture relating to the Zletovica Basin water utilization improvement programme.

At the time of writing, the firm is advising the Macedonian government in regards to its privatization programme, and is cooperating with IKRP Rokas and Partners in connection with the privatization of the Macedonian energy sector.

#### Leading lawyer

Valerijan Monevski

#### Key contact partner

Valerijan Monevski