

# Poland

## Chamber of commerce:

Poland Import Export Chamber of  
Commerce  
c/o Poland Business Association  
Piekna 68  
00-672 Warsaw  
Poland

**Tel:** +48 22 822 36 44

**Fax:** +48 22 822 36 44

**Email:** [info@chamberofcommerce.pl](mailto:info@chamberofcommerce.pl)

## Website:

[www.chamberofcommerce.pl](http://www.chamberofcommerce.pl)

## Professional body:

Polish Bar Association  
00-202 Warsaw  
Poland

**Tel:** +48 22 635 40 62

**Fax:** +48 22 635 27 09

**Email:** [nra@adwokatura.org.pl](mailto:nra@adwokatura.org.pl)

**Website:** [www.adwokatura.org.pl](http://www.adwokatura.org.pl)



## The three ways lawmaking can go wrong

**Maciej Zwoliski**  
**Clifford Chance**  
**Warsaw**

Telling a Polish lawyer that there has been an increase in the amount of new law passed by the Polish parliament is like telling Noah that it has been raining. A lawmaking frenzy took place in 2003 and the *Journal of Laws* (where all new Polish laws are published) reached 2156 items at the year's end. There are plenty of good reasons for all this hurried activity, the main cause, without a doubt, being EU accession. Poland joined the EU in May 2004, and most of the *acquis communautaire* had to be implemented on the first day of Poland's membership, so there was no option but to quickly adopt many new regulations or change the existing legal environment. But in the lawmaking business, as in any other, when quantity increases beyond a certain threshold, the quality suffers. That threshold has indeed been crossed. It had to be expected – there is not enough time and resources for the lawmakers to do a thorough job on all the bills pending in parliament. However, the amount of bad law could probably be decreased and the weight of legislative blunders lessened in comparison to the latest production run from the government presses. Because the first step to improvement is understanding the problem, I would like to add my 2 *groszy* on the subject of bad law by presenting a rough classification of legal blunders, supported by some examples from Polish legislation over the last few years.

### The first sin – bad drafting

The first category is just that – bad drafting. Law that does not work as intended. Some of it is purely linguistic in nature – unclear words, twisted grammar, a misplaced comma or two, all combined to make the legal text difficult to read, if not outright nonsense. Some of it is conceptual – law that conflicts with other laws, or is contrary to common sense, or uses words that have different meanings in other laws.

#### *Example one: Article 17d of the Act on combating unfair competition*

The Act of April 16 1993 on combating unfair competition as originally published was generally speaking a high-quality piece of law. One could argue with certain concepts or particular words used, but there were no obvious mistakes. Unfortunately, this no longer holds true. Article 17d of the Act on combating unfair competition is so bad that it is virtually impossible to apply. It says:

“It is an act of unfair competition if one introduces to trade, through a discount shop chain, goods in the number exceeding 20% of value of turnover, bearing marks owned by the owner of the chain or subsidiaries.”

This amendment was a political exercise to try and combat the increasing presence in the Polish retail market of foreign-owned hypermarkets. Some of it is just laughable (such as the futile mathematical exercise of comparing a number of goods to a percentage of value), but the real problem is the vagueness of the words used. Polish law knows no definition of a "discount shop chain". The law does not specify during what time intervals the turnover should be measured for the purposes of Article 17d. Does it mean that a sale of one item bearing a mark belonging to the owner of the "chain or subsidiaries" (by the way, subsidiaries of what? of the chain?) satisfies the criteria, if it constitutes 100% of the chain's turnover in a given second? With these kinds of interpretation problems, I don't really see how 17d could be applied in practice.

### The second sin – extended application

The first sin was all about the law not working as intended. In the second category, the law does what was asked of it – and more. Some laws have unforeseen consequences, which are quite harmful. Sometimes, the harmful side effects completely outweigh any benefits of the regulation.

#### *Example 2 – Article 65d of the Land Register and Mortgage Act*

The Land Register and Mortgage Act of 1982 is, by Polish standards, quite an old piece of legislation. It served the Polish legal system well, until it also fell prey to some misguided attempt at improvement. It came about as a result of changes in regulations relating to tax. The Tax Ordinance includes special rules concerning mortgages to secure tax liabilities. When they were amended, the lawmakers thought it would be a good idea to make it clear that a tax mortgage may also be established on any property jointly owned by a husband and wife, even if the tax liabilities are of one spouse only. So far, no harm done. However, the legislators sought to clarify the same issue further (which was not necessary) by adding an Article 65.2a to the Land Register and Mortgage Act, saying that a mortgage may encumber joint marital property only if other provisions of law allow it – no doubt, having in mind the new clause in the Tax Ordinance. This had disastrous consequences, because such wording means that, without special provisions expressly stated in other laws, no mortgage over joint marital property can be established. It effectively killed the most common kind of financing of real property purchase by married couples, that is, bank credit secured by mortgage over the purchased property. When that absurd law became reported to the press, a huge outrage resulted, and a law was adopted repealing Article 65.2 only two months after it came into force. To get rid of all its bad consequences, Article 65.2 had to be repealed with retroactive effect dating back to the day it came into force, as if it never existed. The whole affair was a huge legislative mess, aggravated by the fact that Article 65.2 was not necessary for a proper interpretation of the law, but served as a clarification measure. It was an extreme case of extended application – law that was not intended to change anything, but in reality had an enormous negative effect.

### The third sin – bad policy

The third sin is arguably not a legislative blunder at all. It is about law that is harmful despite being reasonably drafted and working in accordance with the lawmakers' intentions. The problem with such law lies with the intentions of the lawmakers. Sometimes they are just plain wrong. Some say it is a matter of policy on which people may agree or disagree, and there is no objective right or wrong here. I do not think so. Apart from some purely ideological issues, most laws can be tested in practice and it is apparent which ones work and which ones do not. It is the legislators' duty to create law that is beneficial and not harmful to society, and those legislators who pass bad (unjust, inefficient or harmful) laws fail in that duty regardless of their ideology.

#### *Example 3 – Article 24b of the Tax Ordinance*

Article 24b of the Tax Ordinance, in effect from the beginning of 2003, is infamous among people doing business in Poland. This law allows tax authorities to disregard the tax effects of a transaction if they prove that the transaction does not cause any economic benefit apart from a tax benefit. Furthermore, if the tax authorities come to the conclusion that the transaction causes economic effects for which some other legal form of transaction is proper, they can assess the tax as if this proper form was used. This law might seem useful to fight tax scams, but in practice the tax authorities have to prove all the above things only to themselves, because tax proceedings in Poland follow the rule of pay first, argue later. So if a tax official considers a transaction to be tax avoidance and assesses additional tax, the taxpayer has to pay before their appeal is heard. The fact that the taxmen were wrong and the decision is overturned on appeal often is no consolation. The damage has already been done, cashflows of the business could be hurt beyond repair and bankruptcy may remain the only option. Arbitrary decisions of tax authorities are among the most frequently cited problems in the Polish business environment. Article 24b gives the taxmen additional legal ammunition with which to defend even the most arbitrary decisions. This is probably exactly what the government wanted, but it is hardly good for the Polish economy. This is bad policy at work.

This completes my brief study of the three ways lawmaking can go wrong. Spotting legal blunders may seem a harmless hobby to some, but it has an important role to play. The sooner bad law is identified, the sooner it can be put right or taken away. Furthermore, if the causes and effects of bad legislation are subject to more detailed research, with luck the results will lead to changes in the system, improving the quality of future regulation. Already some features of the Polish lawmaking process have been identified as possible causes of bad law, such as the unlimited power of the parliament to modify bills proposed by the government. There is one more glimmer of hope on the horizon. Developments in the judicature of the Supreme Court and the Constitutional Tribunal point towards the possibility that bad law will be held unconstitutional if it is vague and unworkable in practice – and that the State Treasury will bear liability for adoption of bad law – so we may hope that more emphasis will be placed on the quality of law in the lawmaking process.

# Domanski Zakrzewski Palinka

**www.dzp.pl**

Domanski Zakrzewski Palinka (DZP) was founded in 1993 in Warsaw, Poland. Being now the largest law firm in Poland, DZP currently employs about 90 lawyers in Warsaw, Poznan and Wroclaw. The firm serves mostly large foreign and domestic companies from a wide range of industries and is recognised as the market leader and the first to offer multi-disciplinary services. DZP clients include leading companies and investors in areas such as banking and finance, capital markets, machine industry, electronics, engineering, food processing, tourism and real estate and construction. The firm also provides advisory services to prominent telecommunications and technology companies.

## Areas of practice:

- Mergers and acquisitions
- Capital markets
- Antitrust and unfair competition law
- Telecommunications law and the media
- Banking and activity conducted by other financial institutions
- Insurance
- Information and Technology
- Intellectual property
- Labour law
- Real estate business
- Arbitration and litigation
- Restructuring and Insolvency
- European Union Law
- Public procurement
- Energy and utilities

## Languages spoken:

English, German, Russian, Japanese, Spanish and Polish

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### WARSAW

Domanski Zakrzewski Palinka sp. k.  
Warsaw Financial Center  
ul. Emilii Plater 53  
00-113 Warszawa  
Tel: 48 22 557 76 00  
Fax: 48 22 557 76 01  
Email: [DZP@dzp.pl](mailto:DZP@dzp.pl)

Managing partner:  
Krzysztof A. Zakrzewski  
Email: [krzysztof.zakrzewski@dzp.pl](mailto:krzysztof.zakrzewski@dzp.pl)

### POZNAN

Domanski Zakrzewski Palinka sp. k.  
ul. Paderewskiego 8  
61-770 Poznan  
Tel: 48 61 858 42 00  
Fax: 48 61 858 42 10

Chief officer:  
Piotr Andrzejczak  
Email: [piotr.andrzejczak@dzp.pl](mailto:piotr.andrzejczak@dzp.pl)

### WROCLAW

Domanski Zakrzewski Palinka sp. k.  
Plac Dominikanski 3  
50-159 Wroclaw  
Tel: 48 71 375 10 50  
Fax: 48 71 375 10 60

Chief officer:  
Rafal Kania  
Email: [rafal.kania@dzp.pl](mailto:rafal.kania@dzp.pl)

## Banking

### Recommended firms

Allen & Overy

Clifford Chance

Dewey Ballantine Grzesiak

Linklaters

Weil Gotshal & Manges

White & Case W Danilowicz W Jurcewicz i Wspólnicy

Baker & McKenzie Gruszczynski & Partners

CMS Cameron McKenna

Lovells

Norton Rose/Piotr Strawa and Partners

Salans

Soltysinski Kawecki & Szlezak

Wardynski & Partners

Wierzbowski i Wspólnicy

Beiten Burkhardt

Gide Loyrette Nouel

Gleiss Lutz

Haarmann Hemmelrath

Hogan & Hartson M Jamka A Galos i Wspólnicy

Miller Canfield Paddock and Stone

Nörr Stiefenhofer Lutz

### Allen & Overy

Despite Allen & Overy's reduction in staff over the last few years, it continues to concentrate effectively on its key area of strength – banking work. It may not dominate the Polish market in the same way it used to, but it still deserves its place in the top tier and remains, in the opinion of one competitor at least, “a leader in banking”.

The firm has one partner, Arkadiusz Pedzich, working on banking deals, with seven associates. Pedzich is highly recommended, as is Jaroslaw Iwanicki, who spends most of his time in the corporate department but is also occasionally involved on banking transactions.

A&O's strength is further demonstrated by the deals it has worked on over the last year. Good contacts and ties to London mean it has usually represented banks, as it did on the syndicated loan facility for PKN Orlen and the €70

million (\$84.7 million) term loan facility for Polskie Linie Lotnicze LOT, which was intended to repay LOT's \$100 million in eurobonds issued in 2003.

### Key contact partner

Arkadiusz Pedzich

### Leading lawyer

Arkadiusz Pedzich

### Clifford Chance

Grzegorz Namiotkiewicz is Clifford Chance's star banking and finance partner, with a string of notable deals to his name. The firm will miss Marek Czarny, however, who was listed in last year's *IFLR1000* as a leading banking partner and has since left the department.

Still, the firm's place up in the first tier with Allen & Overy for banking work is justified by its lengthy transaction list. It acted for Banca Intesa on a €30 million (\$36 million) loan facility for a large European corporate, advised BPH PBK Bank on a number of acquisition facilities, acted for joint venture company Basell Orlen Polyolefins on its financing and establishment in Poland and advised a major private equity fund on the facilities required for a leveraged buyout of a Polish building products company. It also acted on several eurobond issues for the Republic of Poland, including a €5 billion medium-term note programme.

### Key contact partner

Grzegorz Namiotkiewicz

### Leading lawyer

Grzegorz Namiotkiewicz

### Dewey Ballantine Grzesiak

The Polish office of US firm Dewey Ballantine has grown substantially in stature since its merger with the office of Hunton & Williams in 2002. The banking practice is a particular strength: our research for last year's edition of the *IFLR1000* found commentators saying the firm had “large potential,” but this year the comments have been more along the lines of “the firm has developed a strong position” and even, according to one client, “Dewey is the banking leader alongside Allen & Overy”.

For banking regulatory advice, Dewey Ballantine advised on almost all the banking mergers of the past few years, working on the takeovers by HIB, Hypovereins Bank and ING. And on the lending side it has advised both corporates and banks, working on a five-year syndicated loan for petrochemical company PKN Orlen, a term loan agreement provided by Deutsche Bank and a privately funded power project for Caterpillar.

Alongside leading lawyer Lejb Fogelman, who is recommended in most areas of corporate finance, Dewey

Ballantine has several highly skilled banking lawyers, of which the most consistently praised is Jaroslaw Grzesiak

#### Key contact partner

Lejb Fogelman

#### Leading lawyers

Lejb Fogelman  
Jaroslaw Grzesiak

#### Linklaters

Along with Allen & Overy, Linklaters has always benefited in the Polish banking market from its strong links with clients of the UK office and international banking clients. The firm retains this impressive client list and reputation for quality, but it has suffered in the last year with the departure of key people such as leading lawyer Marek Wierzbowski. That said, it has also hired several new associates and overall has grown to become the second largest international law firm in Poland. The finance practice has benefited from this enlargement with the addition of senior associate Bogdan Dzdzewicz, previously of Elektrim and Weil Gotshal & Manges.

The highlights of the firm's work over the last year include advising Areal Bank, which specializes in property finance, on refinancing of the King Cross Shopping Center in Warsaw, acting for ING on the resumption of a syndicated loan facility to Walcownia Rur in Siemianowice Slaskie, one of the most discussed projects in the Polish steel industry, and advising KGHM, as borrower, on a secured \$200 million pre-export finance facility arranged by ABN AMRO, Citibank and Bank PKO.

#### Key contact

Patrick Bell

#### Baker & McKenzie Gruszczynski & Partners

The banking department at Baker & McKenzie in Warsaw has recovered from the loss of leading lawyer Peter Swiecicki with a couple of new hires, and head Krzysztof Korzeniewski now has one other partner and five associates working with him. The team's transactions over the last year have included a real estate financing for a Gdansk commercial centre and a syndicated term loan to Polskie Linie Lotnicze LOT.

The firm names Bank Pekao, BRE Bank, The Export-Import Bank of Korea, the International Finance Corporation and the Overseas Private Investment Corporation among its clients. In the past it has also worked for motorway operator Autostrada Wielkopolska and Krakow-based Bank Przemyslowo-Handlowy.

#### Key contact partner

Krzysztof Korzeniewski

#### Leading lawyer

Krzysztof Korzeniewski

#### White & Case W Danilowicz W Jurcewicz i Wspólnicy

With a "well-established banking practice," White & Case's Warsaw office sits comfortably in the second tier. Jacek Czabanski and Marek Król, both "good banking lawyers," ground the firm's reputation. Czabanski led the White & Case team that advised Millennium Bank on the sale of its consumer credit portfolio to Santander Central Hispano for €33 million (\$40 million) and is involved with a €100 million loan from the International Finance Corporation to one of the largest European discount retailers.

Other work includes advice to US real estate investor Apollo Rida on the financing required for its €800 million acquisition of 28 shopping centres and stores across Poland, and advising PKO, Poland's biggest bank, on financing the Wilanów town project of Warsaw apartments.

#### Key contact partner

Jacek Czabanski

#### Leading lawyers

Jacek Czabanski  
Marek Król

#### Other notable firms

Although more noted for its corporate work **Weil Gotshal & Manges** has a strong banking practice. **Norton Rose**, meanwhile, has grown in size and strength and deserves to move up into the third tier – it has "done visibly more syndicated lending work" and has several banks as clients, including Raiffeisen Bank and Irish Allied Bank. Grzegorz Dyczkowski is highly recommended at the firm. Equally, both the "underrated" **Wardynski & Partners** and **Wierzbowski i Wspólnicy** richly deserve their promotion into the third tier. Wierzbowski has hired several new junior lawyers to make up for the loss of Tadeusz Jacek Dudzinski and is "very active in finance regulatory work".

## Capital markets

### Recommended firms

Allen & Overy

Clifford Chance

Weil Gotshal & Manges

Baker & McKenzie Gruszczynski & Partners

Dewey Ballantine Grzesiak

Linklaters

White & Case W Danilowicz W Jurcewicz i Wspólnicy

Beata Gessel & Partners

CMS Cameron McKenna

Domanski Zakrzewski Palinka

Lovells

Norton Rose Piotr Strawa and Partners

Oles & Rodzynkiewicz

Salans

Soltysinski Kawecki & Szlezak

Wardynski & Partners

### Allen & Overy

Although Allen & Overy's primary strength in Warsaw is banking work, it deserves to be ranked among the best for capital markets transactions. Jacek Jonak, ex-deputy chairman of the Polish Securities Commission and one of the authors of Poland's Securities Law, leads the practice. He is listed in Euromoney's *Guide to the World's Leading Capital Markets Lawyers*.

The equity market picked up last year, winning the firm work on Impel's initial public offering, a private placement of shares in Netia and an equity offering of Ster-Projekt. On each of the deals, all closed in late 2003, A&O advised the arranger.

The firm is "very good for debt and securitization transactions," say more than one of its competitors. And although last year saw few structured transactions, Allen & Overy was involved with several other debt issues, including a €230 million (\$276 million) high-yield offering by TVN, the Republic of Poland's €1.5 billion note issue, the setting up of a medium-term note programme for BRE Bank and six issues under the European Investment Bank's domestic debt issuance programme.

### Key contact partners

Jacek Jonak

Arkadiusz Pedzich

### Leading lawyer

Jacek Jonak

### Clifford Chance

One of leading capital markets practices in Poland, Clifford Chance is often the first choice for domestic and international issuers alike. The firm has worked on several stand-out deals over the last few years, including establishing issuance programmes for Carlsberg Okocim and companies from the Volkswagen Group, as well as working for the Republic of Poland on its €5 billion (\$5.58 billion) medium-term note programme.

Last year the firm advised the Citigroup trustee and agency team on a number of transactions, including the restructuring of Elektrim and Stalexport and the issue of asset-backed securities by the Eastbridge Group. At the time of writing it was advising a Polish bank on a large convertible loan and acting for an international bank and a Polish corporate on two transactions involving issues of convertible bonds.

### Key contact partner

Nick Fletcher

### Weil Gotshal & Manges

As far as financial law advice is concerned, the market says Weil Gotshal is "stronger in capital markets than in banking". The practice took a dip with the departure of one partner in 2002, but Ania Frankowska, who now heads the department, has proved to be an ample replacement. Since joining the firm, back in 1996, she has advised on a series of offerings including Agora, Bank Pekao and Netia Holdings. The Warsaw office also assisted in the financing of the first mortgage bank operating in central Europe.

The highlight of the firm's performance in the last year, however, was its work on the Eastbridge Group securitization, the first international structured deal in Poland. Weil advised the issuer on the securitization of its Polish real estate business and two intermediate loan facilities, which produced a bond issue of €74 million (\$89 million). The deal was intended to refinance the company's outstanding debt.

### Key contact partner

Ania Frankowska

### Leading lawyer

Ania Frankowska

### Baker & McKenzie Gruszczynski & Partners

Since opening in 1992, Baker & McKenzie's Warsaw office, managed by partner Wojciech Bialik, has developed a firm

reputation for quality of work, particularly on capital markets and mergers and acquisitions. The capital markets department comprises two partners and two associates, led by leading lawyer Konrad Konarski. All of the lawyers save one are locally qualified.

In 2003 the firm acted for Bank BPH PBK on Echo Investment's bond issue, which was led by up-and-coming lawyer Jakub Celinski, and advised Provimi Holding on its purchase of shares in agricultural company Rolimpex. Baker & McKenzie was also involved in the failed DTC Real Estate offering, which would have been the first Polish securitization with an international investment grade rating.

#### Key contact partner

Konrad Konarski

#### Leading lawyer

Konrad Konarski

#### Dewey Ballantine Grzesiak

Since last year Dewey Ballantine's star capital markets partner, Zbigniew Mrowiec, has left the firm to work for Poland's Securities and Exchange Commission. Despite the loss of this leading lawyer, described by one colleague as "the god of the markets," the firm has grown in size over the last year and now comprises three partners and 11 associates. This is partly due to the hiring of associate Artur Zapala who, ironically, was hired from the Exchange Commission, where he was a director.

Dewey's transaction list and place at the cutting edge of new structures continues to be impressive. The firm was heavily involved with lobbying the Polish government to reform the country's securities laws and with drafting the resulting legislation. Its similar involvement with new securitization laws led to its role as local counsel to the banks on Poland's first international securitization – the €74 million (\$87 million) commercial mortgage-backed securitization for Dutch retail company Eastbridge. Dewey Ballantine's capital markets strength was further demonstrated by its role advising Bank Austria Creditanstalt on its €960 million listing on the Warsaw Stock Exchange. It was the first listing of foreign company in Poland and, as a result, involved several new legal difficulties, including the blending of Austrian and Polish regulations.

#### Key contact partners

Lejb Fogelman  
Jaroslaw Grzesiak

#### Linklaters

Like Dewey Ballantine, Linklaters' capital markets practice has been diminished over the last year by the departure of a key lawyer. In the UK firm's case it was Marek Wierzbowski, who was universally recommended for his knowledge of both the debt and equity markets.

It is primarily for this reason that the firm has been moved down from the first tier. Patrick Bell's team is still in illustrious

company in the second rank, however, and this is supported by the firm's recent work, which includes advising trustee Bank of New York on the financial restructuring of Netia Holding's outstanding eurobond, acting on a domestic bond issue for the state railway company Polskie Koleje Panstwowe and acting for Morgan Stanley on the €1.5 billion (\$1.8 billion) medium-term note programme update for BRE Bank.

#### Key contact partner

Patrick Bell

#### Other notable firms

The capital markets department of **White & Case** had a strong year, advising the Polish Treasury on the state's \$1 billion bond issue. **Norton Rose** is "a good practice, though small" and continues to win praise for its standard of work, with Piotr Strawa highly recommended, while English competitor **Lovells** has also been making progress and has become "very visible" in the market. Krakow firm **Oles & Rodzynkiewicz**, meanwhile, is a highly recommended domestic firm, which has worked on several successful initial public offerings.

## Mergers and acquisitions

### Recommended firms

Dewey Ballantine Grzesiak

Weil Gotshal & Manges

White & Case W Danilowicz W Jurcewicz i Wspólnicy

Allen & Overy

Baker & McKenzie Gruszczynski & Partners

Clifford Chance

Linklaters

Soltysinski Kawecki & Szlezak

Wardynski & Partners

Beata Gessel & Partners

Chadbourne & Parke

CMS Cameron McKenna

Gide Loyrette Nouel

Lovells

Norton Rose Piotr Strawa and Partners

Salans

Wierzbowski i Wspólnicy

### Dewey Ballantine Grzesiak

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The mergers and acquisitions team at Dewey Ballantine, while probably not quite “without compare,” as some clients claim, is certainly one of the leading practices in the country.

Lejb Fogelman is classed as a leading lawyer for corporate work as he is in almost every other practice area, while name partner, Jaroslaw Grzesiak, and Lukasz Redziniak are more mergers and acquisitions-focused partners, highly recommended though they are.

The team represented Kulczyk Holding on its sale of shares in TUiR Warta to Belgian banking and insurance group KBC Insurance, which was the first takeover of a major Polish insurance company by a foreign investor. It is also in the process of acting for PKN Orlen on the proposed acquisition of the leading state-owned petrochemical company in Romania, as well as its acquisition of Unipetrol from the National Property Fund of the Czech Republic.

#### Key contact partners

Lejb Fogelman  
Jacek Michalski  
Lukasz Redziniak

#### Leading lawyers

Lejb Fogelman  
Jaroslaw Grzesiak  
Lukasz Redziniak

### Weil Gotshal & Manges

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Over the past few years US firm Weil Gotshal & Manges has built up one of the best mergers and acquisitions practices in Poland. It was one of the first foreign firms to begin working in the Polish market and used its experience of international corporate work to win mandates on local deals. Pawel Rymarz is the firm’s managing partner as well as leading the mergers and acquisitions team. He is highly commended by his peers.

Telecommunications operator Netia is a long-term client of the firm, and last year Weil advised it on all of its strategic acquisitions, including the takeover of TDC Internet Polska. Prokom Software, too, has been a Weil client for the past seven years and the firm acted for it on several takeovers last year. These included Softbank and Czech IT company PVT. Private equity is also a strong area of work for the firm, and last year it advised Hicks Muse Tate & Furst on its acquisition of cable television operator Aster City Cable for €110 million (\$132 million).

#### Key contact partner

Pawel Rymarz

#### Leading lawyer

Pawel Rymarz

### White & Case W Danilowicz W Jurcewicz i Wspólnicy

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Witold Danilowicz leads the well-respected White & Case corporate team, which does “high quality work” and is “a solid tier-one firm” according to peers. Aside from Danilowicz, partner Krzysztof Pisarek is the stand-out lawyer in the department.

The firm has won several new clients in the past year, including Patria Vehicles, Oto Melara, Grupo Celsa, Innova Capital and Eurohypo, as well as remaining active in areas such as defence, banking and private equity.

Deals include acting for Grupo Celsa, a Spanish investor, in the acquisition of Huta Ostrowiec, which was among the most complex acquisitions in Poland in 2003. It also acted for Innova Capital as a private equity provider, with G Tech Corporation as the strategic investor, in its \$62.5 million acquisition of PolCard, the leading Polish electronic payment processing company. At the time of writing, White & Case is also advising Eurohypo in its sale of a 50% stake in mortgage bank Rheinhyp-bre Bank Hipteczny.

#### Key contact partner

Witold Danilowicz

#### Leading lawyers

Witold Danilowicz  
Krzysztof Pisarek

### Allen & Overy

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While still one of Poland’s leading banking and finance practices, Polish companies and law firms agree that Allen & Overy’s corporate practice is no longer among the top tier. Michael Davies still leads a strong team, however, and colleague Jaroslaw Iwanicki is one of the best-respected lawyers in the country.

The firm’s work over the last 12 months has included advising Orbis on its acquisition of 100% of the shares of Hekon-Hotele Ekonomiczne, as well as the acquisition of the company Hotel Muranowska, which owns an Ibis Hotel in Warsaw. The Hotel Muranowska deal was the biggest transaction last year in the Polish hotel market.

#### Key contact partner

Michael Davies

#### Leading lawyer

Jaroslaw Iwanicki

### Baker & McKenzie Gruszczynski & Partners

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The mergers and acquisitions team at Baker & McKenzie has benefited over the last few years from the arrival of partners Marcin Gmaj and Tomasz Krzyzowski, who doubled the department’s partner capacity. Last year Krzyzowski advised on TK Development Group’s sale of a real estate subsidiary

and acted for AIG-CET on its investment in the Ultimo Group. Meanwhile associate Piotr Rawski, who joined the firm at the same time as the two partners, led the Baker & McKenzie team on two deals: the purchase by Hewlett Packard Polska of Proctor & Gamble's IT department and Cap Gemini Ernst & Young's acquisition of an outsourcing company.

#### Key contact partners

Marcin Gmaj  
Tomasz Krzyzowski  
Tomasz Ujejski

#### Linklaters

Linklaters has a good reputation for all types of corporate work, from friendly mergers to aggressive takeovers, insolvencies and restructurings. The firm worked on CSFB Polska's sale of its brokerage business to Bank Zachodni, a subsidiary of Allied Irish Bank, in a deal that created regulatory problems with the government and structural issues surrounding the carve-out of CSFB's business. Linklaters also advised private equity outfits GTech Corporation and Innova Capital on the latter's largest investment in Poland – its acquisition of 99.67% of the issued share capital of PolCard, Poland's leading financial transaction processing provider. Other notable deals include the biggest deal for PSE, Poland's electrical grid, representing AMN AMRO, and Lukoil's acquisition of Lotos, though at the time of writing the deal had been put on hold.

#### Key contact partner

Tadeusz Komosa

#### Other notable firms

**Soltysinski Kawecki & Szlezak** earns its position in the second tier on the back of praise from its clients, described by one as having “the strongest reputation among Polish firms”. **Wierzbowski i Wspólnicy** is one firm that could justifiably challenge that comment, given its “strong transactional work” on privatizations and “strong competition practice”. The other is **Wardynski & Partners**, which played a pivotal role in the process of privatization, most notably in the sale of steel company LNM. Also worthy of mention is US firm **Chadbourne & Parke**, which took on the Warsaw partners of the now defunct Altheimer & Gray. Altheimer was one of the first international firms to set up in Poland, and its lawyers had established a leading reputation. Fortunately, they have found a suitable home in Chadbourne & Parke.

## Project finance

### Recommended firms

Allen & Overy

Baker & McKenzie Gruszczynski & Partners

CMS Cameron McKenna

Wardynski & Partners

Clifford Chance

Dewey Ballantine Grzesiak

Weil Gotshal & Manges

White & Case W Danilowicz W Jurcewicz i Wspólnicy

Gleiss Lutz

Hogan & Hartson M Jamka A Galos i Wspólnicy

Linklaters

Lovells

Nörr Stiefenhofer Lutz

Salans

Soltysinski Kawecki & Szlezak

### Allen & Overy

The finance and banking expertise that Allen & Overy still has in its Warsaw office is enough to win it key roles on some of Poland's most important project financings. Last year was no exception. The firm advised the lenders – KBC Bank, Société Générale, Bank of Tokyo-Mitsubishi and Kredyt Bank – on Project Plock, the €350 million (\$420.5 million) construction of two Hostalen and Propylene petrochemical plants. Dewey Ballantine advised Polish sponsor PKN Orlen, with Simmons & Simmons and Wardynski & Partners acting for the non-Polish sponsor and Clifford Chance advising the borrower.

Earlier in the year A&O had also advised on the \$215 million facilities required for the construction of Warsaw Airport's new Terminal II, advising Bank Austria Creditanstalt and Bank Przemyslowo-Handlowy.

Although Arkadiusz Pedzich is the head of the project finance department, falling as it does under the general title of banking and finance, the team's leading projects lawyer is generally considered to be Michael Davies, who is highly recommended by his peers.

#### Key contact partners

Michael Davies  
Arkadiusz Pedzich

**Leading lawyer**

Michael Davies

**Baker & McKenzie Gruszczynski & Partners**

A “great firm for project finance,” Baker & McKenzie has worked on several stand-out deals in Poland’s nascent market. The team, led by Krzysztof Korzeniewski, did post-closing work for Autostrada Wielkopolska, worked on the sale and leaseback of Boeing planes for LOT Polish Airlines, and advised GCH Manhattan and BRE Bank on several deals.

Last year the firm also acted for SK Chemicals on the \$40 million financing of a new bottle plant in Wloclawek that will have a capacity of 120,000 tonnes a year. The European Bank for Reconstruction and Development provided the financing, advised by Allen & Overy.

**Key contact partner**

Krzysztof Korzeniewski

**CMS Cameron McKenna**

With five partners and 20 associates working in the Warsaw office, CMS Cameron McKenna has a large presence in Poland. Alongside the firm’s “strong real estate practice,” it has worked on some of the most innovative project financings in Poland, including the country’s first public-private partnership (PPP). It is also advising the government on a new round of PPP legislation.

Other deals the firm was involved in include the financing of the Belchatow power plant, which totalled \$1 billion (the largest power project ever in Poland), the privatization of the G8 group of power distribution companies, also valued at \$1 billion, and the acquisition of a large offshore extraction and exploration company.

**Key contact partners**

Andrew Kozlowski

**Wardynski & Partners**

According to the firm’s clients Wardynski & Partners “renders high-quality legal services” and “possesses the network to address the needs of multinational clients alongside in-depth knowledge of the Polish legal system”.

The firm’s lawyers have specific expertise in public-private partnership projects, especially in public highway construction and maintenance. The firm is representing the government on the ongoing A2 motorway project.

Wardynski & Partners also uses its Brussels outpost to focus on sources of European Union funding and the possibilities of using this funding for infrastructure and transport projects.

**Key contact partners**

Tomasz Wardynski

Michal Barlowski

Tomasz Zasacki

Ewa Butkiewicz

**Dewey Ballantine Grzesiak**

Dewey Ballantine’s project finance work is led by Jaroslaw Grzesiak. The work tends to focus on the restructuring of companies – Lucent Technologies, for example, oil company PNGG and car producer FSO. But it also works on straight project finance work, and advised PKN Orlen as sponsor on Project Plock. Its biggest deal in recent years was representing the European Bank for Reconstruction and Development on the \$600 million financing of a new unit at the Belchatow coal-fired power station, which is ongoing. Grzesiak led the Dewey Ballantine team on both deals.

**Key contact partner**

Jaroslaw Grzesiak

**White & Case W Danilowicz W Jurcewicz i Wspólnicy**

White & Case has a long history of project finance work in Poland. Its expertise can best be illustrated by the calibre of the deals it has worked. The firm is advising Zespół Elektrowni Patnów Adamów Konin on Patnow 2, the first ever development of a greenfield power generating facility with pre-existing infrastructure shared with another plant. When it is finished, the €300 million (\$360.4 million) project will produce a 460MW lignite-fired power facility. The firm is also advising Vattenfall on the privatization of CHP Poland. When the deal closes it will be one of the year’s largest corporate deals in Poland’s energy market.

Igor Muszynski is highly recommended as a leading lawyer. Tomasz Chmal and Jacek Czabanski are also commended.

**Key contact partner**

Witold Jurcewicz

**Leading lawyer**

Igor Muszynski