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VALTERS GENCS

Advocate

In many regards, Latvian lawyer Valters Gencs is the archetypal modern Baltic lawyer – US educated, willing to take a commercial risk with his own firm, and eager to embrace Western business methods. Having established two successive law offices by the age of 34, his practice now boasts a client roster that rival firms would envy: these include France's L'Oreal, Sweden's TeliaSonera, Finland's Kesko, Norway's Statoil as well as global brands such as Coca-Cola, McDonalds and General Motors. With a particular focus on tax work, Mr Gencs has worked on both sides of the regulatory fence. Having advised the Latvian prime minister on tax issues during the mid-1990s, he subsequently went on to act for commercial clients on two major matters of tax reform.

Largely eschewing the generalist legal conference circuit, he prefers to spend his free time working with regional chambers of commerce and professional legal and business associations.

CURRENT ROLE

Despite being less than 40 years' old, Valters Gencs has had an eventful and high-profile career. After studying law at Latvia's Law School in the early 1990s and for an LLM in Chicago, he effectively founded and ran two successive legal practices. Between 1996 and 2000, he was a director of tax and legal services for Ernst & Young in Latvia. Then, as the associated accountancy-law firm business model became less popular post Sarbanes-Oxley, he founded a new, independent, law firm, The Law Firm of Valters Gencs in 2002. For Mr Gencs, the gamble of establishing an independent law firm paid off almost the entire Ernst & Young legal team from Latvia joined his new firm.

The practical practitioner

Although he is the firm's sole partner, Valters Gencs is very much a practicing lawyer. Today, he estimates that he spends up to 70 per cent of his time on fee-earning, and has made a conscious decision to 'outsource' as many of his firm's administrative functions as possible. "I'm in court for three days next week," he says, by way of illustration.

Rainmaker and academic

In addition to fee-earning work, Mr Gencs also acts as the firm's main "rainmaker" and chief marketeer. As part of this role, he is extremely active on the international business circuit, belonging to an "alphabet soup" of professional associations. These include The American Intellectual Property Law Association and the European Communities Trade Mark Association. However, unlike other practitioners of a similar age, he has largely avoided the lawyer-led international organisations such as the IBA. Instead, he prefers to work with 'business-led' organisations, such as regional chambers of commerce. He is also lectured on tax and commercial law issues at the Stockholm School of Economics in Riga.

EXPERTISE AND EXPERIENCE

Not surprisingly, given his Ernest & Young background, tax law has played a major part in Mr Gencs' professional life. He was a founding signatory of the Swedish Chamber of Commerce in Latvia, created in 1996, and sat on the Foreign Investors Council in Latvia tax committee for many years. During his career, he has also scored several notable victories over the Latvian government in relation to tax law – ironic considering he once belonged to a government working group on tax, appointed by the then Latvian Prime Minister Andris Šķele.

His first major interaction with the Latvian government was as an advisor to the Foreign Investors' Council (FICIL) in Latvia. This group was established in 1998 by several major regional international companies to campaign for a more favourable regulatory regime for foreign investors in the country. As the FICIL's Head of Tax, Mr Gencs played a leading role in negotiating the reform of his country's VAT regime. While this reform was a necessary part of the country's preparation for EU accession, Mr Gencs can also make the unusual claim of being partially responsible for his government's subsequent budget deficit. While the introduction of the new VAT regime went relatively smoothly, the government failed to accurately predict the shortfall in revenue the changes would produce.

A supreme battle

More recently, Mr Gencs spent five years battling the Latvian State Revenue Service (SRS) on behalf of Coca-Cola. This was a test case to determine the taxable status of prizes offered by the soft drinks company to competition winners. When the dispute first began in 1999, the tax status of such gifts was unknown – no official guidelines had ever been produced. Eventually, the SRS's claim – plus an additional penalty charge for an equivalent amount – was thrown out by the country's Supreme Court, after the SRS tried to change the legal basis of its argument. For Mr Gencs, this case was important for two main reasons: "The first was that, if we had lost the case, Coca-Cola would have had to pay out substantial amounts of money," he says. "But just as importantly, this was an important test case in relation to the Latvian tax status of the company's global marketing strategy."

Tax haven

Mr Gencs is eager to promote Latvia as a favorable base for both regional companies and business executives. "We advise large numbers of Swedish executives, who just aren't willing to pay tax rates of 75 per cent, on their tax planning. From a business point of view, it definitely helps Latvia to be surrounded by countries with high tax regimes." He also points out that a new tax regime, introduced in 2003, made it advantageous for shipping companies to register their vessels with The Latvian Ship Register. "We acted on the first registration," he says.

MANAGEMENT STYLE AND PERSONALITY

Regardless of being the founder of an 11-lawyer practice, Mr Gencs is very much a 'hands on' practitioner. Having built up his practice, he is not someone who is willing to give up fee-earning to become a glorified office administrator because of the success of his practice. In fact, Mr Gencs comfortably walks the precarious line of rainmaker and doer.

Overseer not overzealous

As a result, the firm's clients can expect that Mr Gencs will play a supervisory role on most matters that his firm is involved in. Typically, he will put together the team of lawyers who will act on a particular transaction, and also take overall responsibility for quality control. However, having recruited a talented team of young lawyers, whose number includes several former government lawyers and in-house counsel, he does not insist on reviewing all work carried out by his team before it is sent to clients. "We operate a 'four eyes' insurance policy to guarantee the quality of our work," he says. "All work is reviewed by at least two people before it is sent to the client."

Marketing mogul

While he clearly enjoys practicing as a lawyer, Mr Gencs does not give the impression of being unduly academic in his approach to his work. In reality, this is not surprising, given his "multidisciplinary background" and long-term exposure to Anglo Saxon business methods. For clients, this approach manifests itself in several ways: firstly, Mr Gencs is an exceptionally prolific marketeer. Not only does he speak at numerous business conferences and events, his firm produces so many marketing initiatives that clients may be forgiven for thinking his firm is twice the size it actually is. "We produce tax seminars and four newsletters per year," he says, proudly. "We've also produced a book – Doing Business in Latvia."

Pragmatic and systematic

His approach to offering legal advice is similarly informal. "Clients often tell us that we act more like management consultants than lawyers," he says. For Mr Gencs, this is a compliment. "If you're advising an investor on how to reduce the number of shareholders in a company, you have to take account of the human as well as the legal aspects of this process – how will shareholders feel about what is happening to them, how will it affect the reputation of the company?"

For his firm's highly diverse client base, this pragmatic approach is essential. While the firm boasts an impressive roster of international clients, in reality many of these Latvian operations are small, and their local managers value the "personal" and "practical" touch. This approach also helps the firm's stated strategy of targeting business leaders in relation to their personal tax planning, in the hope that their businesses' will become clients of the firm.

FUTURE DIRECTION AND ADAPTABILITY

Mr Gencs has a clear vision of his firm's future strategy. "Our firm will remain independent," he says. "We are good at working for ourselves – more than 70 per cent of our work comes from referrals. When we were part of Ernst & Young, it meant other accountancy firms couldn't instruct us. Now, we do not have that problem."

We have the opportunity to pitch for the type of work we want to do without any limitations.

Of course, Mr Gencs is aware that the region's legal market is developing rapidly. Several of his rival firms have undergone domestic mergers in recent years, or have entered into exclusive referral arrangements with firms operating in other Baltic states.

However, while he says he is happy to cooperate with other firms, Mr Gencs says his strategy is to work with other firms on a reciprocal rather than an exclusive basis. "Our law firm works with many other firms in the region, as well as US and English firms such as DLA Piper; "Skadden, Arps, Slate, Meagher & Flom", Sherman & Sterling" he says.

"They send us work, and we enjoy sending work to them." Domestically, he also prefers to organic growth to 'quick fix' mergers. "So long as our clients are happy, I don't think our size is that important," he says. "A few years ago, a typical Latvian firm would only comprise 3-4 lawyers. It's my job to predict what size a "typical" Latvian law firm will be in the future."

BIOGRAPHICAL DATA

Date of Birth

June 24, 1968, Bauska, Latvia

Education

Law School of the University of Latvia, LL.B. (1993); Institute of International Affairs – International Business Studies (1994); John Marshall Law School, Chicago, IL, USA; LL.M. (1995).

Admitted

1993 – Republic of Latvia

Employment

Legal Counsel for Ministry of Foreign Affairs of Latvia (1994); Head of Tax & Legal department of Ernst & Young Latvia (1996 – 2000); Founder, Gencs Valters Law Firm (2000–). Chairman of the Norwegian Chamber of Commerce in Latvia – 2008 to now.

Practice Areas

Tax, Finance, M&A, Litigation, Intellectual Property

Languages

English, Latvian, Russian

Committees, Memberships

Member of the Working Group on Tax Law appointed by the Latvian Prime Minister (1997 and 2002); Head of tax ad hoc group of the Foreign Investors Council in Latvia (1998 – 2002); Member of the Working Group on Intellectual Property Protection and Enforcement Issues appointed by the Latvian Prime Minister (1999); Swedish Chamber of Commerce tax committee (1996 – 2006) – member of the board (2003 – 2006) Latvian Bar Association; International Bar Association; American Intellectual Property Law Association (AIPLA); European Communities Trade Mark Association (ECTA); International Association for the Protection of Intellectual Property (AIPPI); The Licensing Executives Society (LES), (USA & Canada); Institute of Trade Mark Attorneys (ITMA), (UK); International Trade Mark Association (INTA); German Association for the Protection of Industrial Property (GRUR); Association of Trade Mark Owners (MARQUES); International Federation of Intellectual Property Attorneys (FICPI); European Patent & Trademark Attorney (AIPPI and CIPA); Latvian Advocate.

Articles

Tax Notes International (USA) – official correspondent for Latvia, 2006; BNA World Intellectual Property Report; Madrid Agreement Concerning the International Registration of Trademarks in Latvia; European Intellectual Property Review, Sweet & Maxwell (1997); 2005 – Corporated for IFOR for Latvia.

LAW FIRM OUR FIRM

The Gencs Valters Law Firm is full service, general practice international business law firm focused in tax, litigation, M&A, corporate, immigration, finance and intellectual property law. The firm provides legal, tax, corporate finance, management consulting, evaluation and due diligence services.

The firm was established in 2000 and now has a team of more than 12 lawyers and tax consultants and have grown steadily within the last years. The firm has particularly strong ties with Scandinavian clients.

The firm is accepted to represent clients in Munich (Germany) in front of the European Patent Office as well in Alicante (Spain) for Community trademarks and designs. We are members of: Latvian Bar Association, the International Bar Association, Netherlands Chamber of Commerce, the American Chamber of Commerce in Latvia, the Swedish Chamber of Commerce in Latvia, the Latvian German Association of Enterprises in Latvia, the Sterling member of the British Chamber of Commerce, Gold member of the Danish Chamber of Commerce in Latvia, the Norwegian Chamber of Commerce.

Members of the firm has lectured on tax and commercial law issue with the Stockholm school of Economics in Riga and the Concordia University in Tallinn (Estonia).

The firm's is representative clients comprise such multinational companies as well as medium size companies and entrepreneurial growth companies.

Our Clients are also local municipalities and the Latvian Privatization Agency.

- ■ *As our client, you will be guaranteed unmatched service and commitment as well as access to our full service including counseling and client/attorney partnership.*

Market leading practice in Tax – Top Tier Tax Law Firm

TAX DIRECTORS HANDBOOK 2007-2008 by Legalease

RECENT TRANSACTIONS

LATVIA

- ■ Real property- assistance to Cyprus company "Keycrest Limited" in purchase of the real estate with total area 2.6 ha, in biggest real estate project in Baltic states (total of 455 ha), called Saliena (www.saliena.com), located near center of Riga, Jurmala and international airport Riga. Real estate is divided into 50 separate land plots, provided for building of private houses or townhouses.
- ■ Representing Aros Arkitekter AB which is subsidiary to Sweco Architects. Sweco Architects is the largest architectural company in Scandanavia with more than 500 employees. The Sweco Concern based in Stockholm employs almost 5 500 architects and engineers worldwide.
- ■ Tax and legal advice to McDonalds and its shareholder from Malta Premier Capital Limited, about McDonald's operations in Malta and the Baltic States. In 2010 the company opened of another eight new restaurants in these three Baltic countries to bring up the total to 39 restaurants - all owned and operated run by Premier Capital Ltd.
- ■ Representing The General Motors Company, also known as GM, a United States-based automaker with its headquarters in Detroit, Michigan. Representation in relation to regulatory, EU and distribution matters. Brands covered - CHEVROLET, CADDILAC, HUMMER.
- ■ Representing Saab Automobile owned now by Spyker Cars NV in closing unofficial dealership in Riga, Latvia, and enforcement of trademark rights. Other trademarks represented- FORMULA 1, KOOKAI, SCHWEPES, PAYPAL, VERBATIM, PS PLAYSTATION S, THALASSOTHYS, JAMESON, MIDDLETON VERY RARE, CORK DRY GIN, AMD, SPALDING, ORACLE.
- ■ Studies and Latvian National reports performed for European Commision- „Study on the Transparency of Costs of Civil Judicial Proceedings in the European Union“; „Study on Harmful Traditional Practices in the European Union“; „National Report on the application of the European Directive 2003/8/CE of the 27 January 2003 on legal aid in cross-border disputes“.
- ■ Pan Baltic restructuring of A.P. Moller - Maersk by establishing new Damco combined brand of the A.P. Moller - Maersk Group's logistics activities previously known as Maersk Logistics and Damco. Involved in global liner shipping services, Maersk Line operates over 550 vessels. It is currently the largest container shipping company in the world.
- ■ 8 million EUR restructuring and tax advice to Korsnas AB (Sweden). Korsnäs is one of Sweden's leading forestry companies, Korsnäs also produces bio fuel pellets at two plants in Latvia and has loading and storehouse facilities operation in the Riga Free Port. Korsnas is a wholly-owned subsidiary of Investment AB Kinnevik.

Fast Growing Recognition

- ■ Leading firm in tax and intellectual property for many consecutive years
EUROPEAN LEGAL 500
- ■ Leading firm in tax in Latvia
CHAMBERS EUROPE 2010
- ■ Top tier firm in corporate and mergers and acquisitions
IFLR 1000 THE GUIDE TO THE WORLD'S LEADING FINANCIAL LAW FIRMS
- ■ Recommended firm for banking and debt finance
PRACTICAL LAW COMPANY 2010

- ■ Litigation- representing Purolite International Limited, Llantrisant Business Park, Llantrisant, Wales, UK for the debtor in Latvia in excess of 0.5 million EUR; Calzaturificio casadei Shoes (Italy) against distributor in Latvia „Loretti“; Energetec (Germany) which makes BULLERJAN stoves against a local distributor.
- ■ Corporate- liquidation of Infineon Technologies, (Netherlands) presence in Latvia. Infineon offered semiconductor and system solutions for automotive, industrial and multimarket sectors, for applications in communication. Closing Weatherford (USA) in Latvia - one of the largest oilfield services companies, which operates in more than 100 countries. Closing of Siemens Turbomachinery branch (Sweden) in Latvia. Arranging patent and assignment matters from Pfizer Incorporated (US pharmaceutical company, ranking number one in sales in the world) acquisition of Wyeth Pharmaceuticals (UK).
- ■ Tax services to YIT Oyj which is Finish based company, headquartered in Helsinki, which provides property maintenance and management services; the Construction Services unit builds housing, large-scale infrastructure.
- ■ Banking- advise to pension fund Hipo Fondi, part of state owned bank „Latvijas Hipotēku un zemes banka“ regarding finance and corporate matters. Advise to Swedfund International regarding investments into Latvian furniture production group Troll. Swedfund International is a risk capital company owned by the Swedish state.

LITHUANIA

- ■ Gencs Valters Law Firm in Lithuania is advising Converse Inc. (the largest manufacturer of athletic footwear in the United States) in the cases related to trademark Converse, Converse All Star Chuck Taylor, All Star and graphical trademark Star & Chevron Design protection in Lithuania. Gencs Valters Law Firm represented Converse Inc. at Lithuanian Patent Bureau in the case of trademark protection against Lithuanian trademark Clintas. Converse Inc. is one of the long-lasting clients of Gencs Valters law firm, which is advising the client for over 10 years on the regular basis. Majority of the cases involved concerns trademark protection in Baltic States.
- ■ Gencs Valters Law Firm in Lithuania represents French Company L'Oreal (the world's leader in the field of cosmetics) in the field of business law and taxation. L'Oreal is consulted in the fields of taxation, business law and general corporate law. Gencs Valters law firm was advising L'Oreal in the pre-court case and negotiations with Ambassade de la Beaute. Gencs Valters law firm have been advising French Company L'Oreal for over a decade in all three Baltic States. The main legal issues related to L'Oreal concerns corporate and tax law.
- ■ Gencs Valters Law Firm in Lithuania represents McDonalds (the world's largest chain of fast food restaurants) in the issues related to taxation in Lithuania. Our law firm currently consults McDonalds on the tax planning issues related to loans.
- ■ Gencs Valters Law Firm in Lithuania represents Maersk Line (One of the biggest shipping companies in the world) in the issues related to business relocation, taxation and corporate legal matters. Our law firm currently consults Maersk Line in taxation, employment and corporate issues in Lithuania.
- ■ Gencs Valters Law Firm in Lithuania represents Polish company Prcip Dragmor, (company engaged in all kinds of dredging works and reclamation, beach nourishment construction of breakwaters, river bank reinforcement, trenching/backfilling for gas pipelines of large diameters, laying pipes on sea bottom including sewage treatment projects) in the court case against UAB Klaipėdos Hidrotechnika related to the deepening of Klaipėda's Port channel in Lithuania and related dispute. Our law firm represents Prcip Dragmor in the ongoing court case related to the deepening of Klaipėda's Port channel in Lithuania. The case is one of the biggest cases currently held in Klaipėda.
- ■ Gencs Valters Law Firm in Lithuania represents UK Venture Capital Firm (company focused on high tech and Internet investment) in acquisition of Lithuanian company. Our law firm currently represents UK Venture Capital Firm in one of the biggest deals in social networks development sphere through acquisition of Lithuanian company (company involved in developing various social networks).
- ■ Gencs Valters Law Firm in Lithuania is advising Mitsubishi Tanabe Pharma Corporation (creation of pharmaceuticals) in the cases related to trademark Tinubin protection in Lithuania. Gencs Valters Law Firm represents Mitsubishi Tanabe Pharma Corporation in the case of trademark protection.
- ■ Gencs Valters Law Firm in Lithuania was advising The British Council in Lithuania (The British Council is the UK's leading international organization for educational and cultural relations) for starting its activities in Lithuania and related taxation issues. Our law firm was advising The British Council in the field of taxation for public institutions and related issues to the activity start-up.

- ■ Gencs Valters Law Firm in Lithuania is advising UAB ACG Nystrom (the company in Lithuania, which offers machines, spare parts and technical service for the upholstery textile, clothing and shoe industry in Lithuania, Latvia, Estonia and Belorussia) in the relation of international tax planning issues. Our law firm was advising UAB ACG Nystrom in connection to international tax planning and business development into Baltic States.
- ■ Gencs Valters Law Firm in Lithuania represents Belgian credit insurance company DuCroire | Delcredere SA.NV's in a mission to protect its clients against the risks associated with domestic and international commercial transactions and to facilitate the financing thereof. Our law firm advised in the international commercial transaction related to business insurance policies.
- ■ Gencs Valters Law Firm in Lithuania advises in acquisition of business in Lithuania for Nexum Insurance Technologies, provider of software solutions for Scandinavian insurance company If, Swedbank and Lansforsakringar bank. Our law firm advised Nexum Insurance Technologies in acquisition of Lithuanian company.
- ■ Gencs Valters Law Firm in Lithuania advises Sika Group (Manufacturer of speciality chemicals for construction and industry) in variety of corporate law, employment and taxation issues.
- ■ Gencs Valters Law Firm in Lithuania represents UAB Hifab (Swedish market leader in the field of project management) in the sphere of business law.
- ■ Gencs Valters Law Firm in Lithuania represents Latvian Company SIA Rigas Dzirnaveiks (company taking part in the development of Latvian grain farming industry and through partnership provides bakery industry and retailers with healthy and stable quality grain based products). The company was advised in business development in Lithuania and related taxation issues.
- ■ Gencs Valters Law Firm in Lithuania represents Latvian Company Tshudi Logistics (company providing Logistic solutions and transport services and belonging to the Tshudi Group of Companies) in a court proceeding against individual company Il Litvirta.
- ■ Gencs Valters Law Firm in Lithuania represents Latvian company SIA Isosol in the issues related to taxation.
- ■ Gencs Valters Law Firm in Lithuania advises UAB Graina (company engaged in wholesale of medical equipment, products and technologies; maintenance and service of medical equipment – installation, service, repair and medical stuff training). Our law firm advises in tax planning opportunities related to business development in the Baltic region.

ESTONIA

- ■ Gencs Valters Law Firm in Estonia is advising shareholder of companies Tuletorn Projekt OÜ (Estonia), Stiftung-Leuchtfuehr (Germany) and IAPRS (Portugal) in the cases related to taxation, asset transformation and company restructuring issues in EU partnership purposes in Estonia, Germany and Portugal. Advising included firstly the cross-border partnership issues, involving the establishment, real estate ownership and transformation of partnership and the taxation in fields of process planned. Secondly the questions were related to the situation in Estonia – a company Tuletorn Projekt OÜ – the taxation, assets, loan and shares issues of company.
- ■ Gencs Valters Law Firm in Estonia is advising Kik Textilien und Non-Food GmbH (Germany) in the cases related to trademark protection in Estonia. Gencs Valters Law Firm represented Kik Textilien und Non-Food GmbH at the Patent Appellation Commission of Estonia in the case of trademark protection against Estonian trademark KICKS. Kik Textilien und Non-Food GmbH is one of the long-lasting clients of Gencs Valters law firm, which is advising the client for over 10 years on the regular basis. Majority of the cases involved concerns trademark protection in Baltic States.
- ■ Gencs Valters Law Firm in Estonia represents Kverneland Group Kerteminde A/S (Denmark) in the Value Added Tax disputes in Estonia. Gencs Valters Law Firm represented Kverneland Group Kerteminde A/S at the Estonian Tax and Customs Board in questions related with cross-border Value Added Tax. Consultation included the procedural actions in Estonian Tax and Customs board, the negotiations with the authority and partners of company in Estonia and the regular process for VAT refund.
- ■ Gencs Valters Law Firm in Estonia represents K-TEK International Inc. (USA) in the issues related to corporate governance and EU structural funds in Estonia. Gencs Valters Law Firm represented K-TEK International Inc. as the shareholder of Estonian Nanotechnology Competence Center (ENCC) at the disputes between other shareholders and Enterprise Estonia (EAS) as the authorized body for EU structural funds in Estonia. Disputes were related to patent, assets, activities issues of ENCC for now and in future and the misunderstandings between ENCC and EAS. Consultation included client representation in Shareholders Annual Meeting of ENCC and several negotiations with the Chairman of the Board and shareholders of ENCC, advising the parties in future activities and related questions.
- ■ Gencs Valters Law Firm in Estonia represents Tallinna Pesumaja OÜ (Estonia) in the issues related to cross-border debt collection and contract termination procedure between Tallinna Pesumaja and Domina Hotel in Riga. Gencs Valters Law Firm represents Tallinna Pesumaja OÜ in periodical debt collection between Tallinna Pesumaja OÜ and its clients. Secondly advises Gencs Valters Law Firm Tallinna Pesumaja to terminate the long-term service contract with Domina Hotel in Riga. Consultation included client representation in disputes between Tallinna Pesumaja and its clients and partners, cross-border debt collection and the procedure with contract termination with Domina Hotel in Riga.



- ■ Gencs Valters Law Firm in Estonia represents client (individual) in the immigration issues in the Tribunal of United Kingdom. Gencs Valters Law Firm represents its client in the immigration issues in the Tribunal of United Kingdom against the decision of Embassy of United Kingdom in Warsaw, Poland. Consultation included client representation in collection of evidences, negotiations with Estonian authorities, court claim preparation and submission.
- ■ Gencs Valters Law Firm in Estonia represents client (individual) in the Self Employment taxation issues in the Estonian Tax and Customs Board. Gencs Valters Law Firm represents its client in the Income and Value Added Tax issues in Estonian Tax and Customs Board. Consultation includes the advise in company establishment and related questions in business law.
- ■ Gencs Valters Law Firm in Estonia represents construction companies as Hardex SIA, J.O.Z SIA and Infrainsenerid OÜ (Latvia and Estonia) in the construction issues in Estonia and related questions. Gencs Valters Law Firm represents its clients in construction field in company establishment, taxation, licenses, construction supervision and employment law issues in Estonia and EU countries. Consultation included client representation in collection of evidences, negotiations with Estonian authorities, court claim preparation and submission.
- ■ Gencs Valters Law Firm in Estonia represents EBay (England) in the field of company transformation and related issues. Gencs Valters Law Firm represented EBay in question of company transformation, related to employment, taxation and asset questions.
- ■ Gencs Valters Law Firm in Estonia represents L'Oreal (France) in the field of business law and taxation. L'Oreal is consulted in the fields of taxation, business law and general corporate law. Gencs Valters law firm have been advising French Company L'Oreal for over a decade in all three Baltic States. The main legal issues related to L'Oreal concerns corporate and tax law.
- ■ Gencs Valters Law Firm in Estonia represents McDonalds (USA) in the issues related to taxation in Estonia. Our law firm currently consults McDonalds on the tax planning issues related to loans, interests, employment and thin capitalization rules.
- ■ Gencs Valters Law Firm in Estonia represents Maersk Line (Denmark) in the issues related to business relocation, taxation and corporate legal matters. Our law firm currently consults Maersk Line in taxation, employment and corporate issues in Estonia;
- ■ Gencs Valters Law Firm in Estonia advises Sika Group (Switzerland) in variety of corporate law, employment and taxation issues.
- ■ Gencs Valters Law Firm in Estonia represents AB Hifab (Sweden) in the sphere of business law.
- ■ Gencs Valters Law Firm in Estonia is advising Mitsubishi Tanabe Pharma Corporation (Japan) in the cases related to trademark Tinubin protection in Estonia. Firm represents Mitsubishi Tanabe Pharma Corporation in the case of trademark protection.
- ■ Gencs Valters Law Firm in Estonia advises UAB Graina (Lithuania) in cross-border taxation and business issues. Our law firm advises in tax planning opportunities related to business development in the Baltic region.

OUR PUBLICLY DISCLOSED REPRESENTATIVE CLIENTS COMPRISE:

■ ■ USA

Advanced Inhalation Research (pharmaceuticals)
Advanced Medical Optics (pharmaceuticals)
Advanced Micro Devices (chips)
Alkermes
American Cyanamid Company (pharmaceuticals)
Capstone Turbine Corp. (turbines)
DPWN Holdings (USA)
Genentech (pharmaceuticals, growth hormones)
General Motors (cars)
L.K.A. Incorporated
McDonalds (restaurants)
Omnicom International Holdings
Oracle (software)
Paypal
Pharmacia & Upjohn Company (pharmaceuticals)
R.P. Scherer Technologies
SGG Lisco (sports goods)
Weatherford (oil transport equipment)
Young & Rubicam

■ ■ SWEDEN

Alstom Generation (turbines)
Arctic Paper
Brax Shipping (sea transport)
Brovi Holding Aktiebolag
Concordia Bus Nordic
Hifab (construction supervision)
Interbus (packaging and storage of goods)
Korsnas (timber)
Snickers (clothing)
Stockholm School of Economics in Latvia
Telia International Carrier (telecommunications)
Wonderland International (furniture)
Zublin (construction)

■ ■ NORWAY

DNV (quality auditors)

■ ■ FINLAND

Baltic Group (shipping and catering)
Ensto (electrical products)
Kesko (retail)
K-Rauta (retail)
Paulig (coffee and spices)
Suomen Rehu (chemicals)
Suprema (brokerage and financial services)
VR Track (railroads)

■ ■ DENMARK

Aldaris (beverages)
Broste (candles)
Geopal (production)
Scandlines (shipping)

■ ■ THE NETHERLANDS

Dutch Royal (dredging)
Formula One Management
Infineon (computer chips)
Nutricia International
Petrplus International
Spyker Cars (cars)
Veerhuis Beheer

■ ■ SWITZERLAND

Amrona
Dan Stoicescu
Hellsin Healthcare (pharmaceuticals)
Nesi Plant
Nestec
Nestle (food product)
Rehau (plastic products)
Sika
Societe Des Produits Nestle
SSI Simex Sport (sport equipment)

■ ■ GERMANY

Baltic kudra and Handels and Production (peat)
BASF Plant Science
Beiersdorf (cosmetics)
Biologische Insel Lothar Moll
Energetec (heating products)
KIK Textilien und Non-Food
Merck Patent (pharmaceuticals)
Messe Dusseldorf (exhibitions)
Micromet
NiGuRa Metzler International
Pelikan Vertriebsgesellschaft
Profos
Samariter International e.V.
Siemens (energy products)
Simex Sport

■ ■ FRANCE

Accor
Alstom (energy)
Cuisine de France (food)
Essilor International
Fromageries Bel
Glup's France (candy products)
L'Oreal (cosmetics)
Laboratoires THEA
Legrand France
Lesieur (food)
NicOx SA
Sanofi-Aventis

■ ■ UNITED KINGDOM

A one Feed (fertilizers)
Abiogen Pharma
Aboca Societa' Agricola
Alfa Wassermann
Carpi Tech Italia (technology)
Consiglio Nazionale Delle Ricerche
Diapharm
Dompe pharma
Glaxo Smitkline (pharmaceuticals)
Graveson Energy Management
Ice
Indena
Istituto Luso Farmaco d'Italia
Istituto nazionale per lo studio e la cura dei tumori (pharmaceuticals)
International Hair Cosmetics
John Wyeth & Brother (pharmaceuticals)
North Aegean Sea Canneries
Pace Plc
SHS International
Sotheby's (auction)
United Beauty Products
Westler Foods

■ ■ ITALY

Chiesi Farmaceutici (pharmaceuticals)
Labarotorios Menarini (pharmaceuticals)
Lachifarma SRL Laboratorio Chimico Farmaceutico Salentino
Maria De Luca
Monte Research (pharmaceuticals)
Nicox
Pharmacia & UpJohn Company (pharmaceuticals)
Plast Wood
Sigma-Tau (pharmaceuticals)
Solmag
Tecnomax-Due S.N.C. Di Novarini S.&Boccardi M.

■ ■ IRELAND

Flatwire
Irish Distillers (alcoholic beverages)
Old Bushmills Distillery & Co (alcoholic beverages)
Stratek Plastics
Wyeth Research Ireland

■ ■ POLAND

Dragmor
Kama Foods (food products)
Olvit (food products)

■ ■ ESTONIA

Balbiino
CV- Online Eesti
Forma Media
Liviko (beverages)
Orto
Rīgas Miesnieks (meat productions)
Sportland International (sport equipment)
TMB Elements (concrete production)
Vipis

■ ■ AUSTRALIA

Apple And Pear Australia (fresh fruit)
Exide Australia Pty (car products)

■ ■ JAPAN

Sony Computer Entertainment (entertainment)
Komatsu (machinery)
Mitsubishi Chemical Media (floppy disks)
Mitsubishi Pharma Corporation (pharmaceuticals)
Yamaha (motorbikes)

■ ■ SPAIN

Consejo Superior de Investigaciones Cientificas

■ ■ TURKEY

Dima Gida Tekstil Deri Insaat Maden
Turizm Orman Urunleri
Sanayi Ve Ticaret
SINGAPORE
Yatz Electronics Industry

■ ■ GREECE

North Aegean Sea Canneries
Uni-Pharma Kleon Tsetis Pharmaceutical Laboratories

■ ■ LUXEMBOURG

DBA Lux 1

■ ■ CANADA

Roots Canada

■ ■ TAIWAN

King Car Food Industrial

■ ■ RUSSIA

Obschestvo s Ogranichennoi Otvetstvennostyu
Firma Radius-Servis
Remiks (constructions)
Sojuzplodimport

■ ■ KOREA

Pantech

■ ■ GRAND CAYMAN

Atlantic Industries
Canada Dry
DP Beverages

TRADEMARKS REPRESENTED

IN LATVIA



IN LITHUANIA



MORE & MORE

IN ESTONIA



KOOKAI



IN LATVIA

Tax services are one of our core practice areas since the very foundation of the law firm. Our law firm has been recognized by our clients as first tier tax advisor in Latvia. Since 2008 we are also providing tax services in Estonia and Lithuania.

We offer tax advice in international and domestic tax planning, tax litigation, market entry strategies and cross-border tax issues. With our deep knowledge of taxation we are able to offer a truly comprehensive legal service also in other practice areas, such as mergers and acquisitions.

Before commencing business activities in Latvia, it should be noted that all income derived in Latvia is subject to corporate income tax 15%. There are thin capitalization and transfer pricing rules applicable, as well as there is withholding tax on certain categories of outward payments. However, a recent and attractive possibility is to reduce taxable income by deemed interest rate on retained earnings. That is, companies are able to reduce their effective tax rate, if their shareholders do not distribute retained earnings. Additionally, carry loss forward period is five years.

Another recent development is Micro-Enterprise Tax. This type of tax may be applied on small companies and sole proprietors, whose turnover does not exceed 100 000 EUR per year and who meet several other criteria regarding number and remuneration of employees. The tax rate is only 9% on turnover and it includes corporate income tax, social contributions, personal income tax and other labor related contributions.

In general, VAT registration is mandatory for companies or persons, whose turnover exceeds 14 000 EUR. Different thresholds are applicable for certain categories of goods or for international or intra-Community transactions. Related companies may establish a VAT group by pooling their obligations and rights, while communicating with Latvian tax authority.

For further assistance on tax planning, please contact our law firm.

IN LITHUANIA

Lithuania remains attractive to foreign investors because of favorable tax planning opportunities. Notably, the corporate income tax has dropped to 15 percent (from 20 percent). Moreover, small businesses that employ 10 or fewer employees and have annual income of EUR 144810 or less are eligible for a special 5 percent corporate income tax rate (previously 13 percent). Also, a new law allows the transfer of losses from 2010 and earlier between a Lithuanian resident parent company and its domestic subsidiaries. Until 2013, companies can take part in investment projects that offer attractive tax benefits.

For further assistance on tax planning, please contact our law firm.

IN ESTONIA

Estonian tax system is considered to be simple and liberal. Compared to most European countries, the major difference is that income tax has only one general flat rate and the corporate income tax is 0%. Company taxation includes the taxation of employees, VAT and the tax in case of company profit is distributed (dividends), which accordingly is 27% (21/79) of the profit distributed.

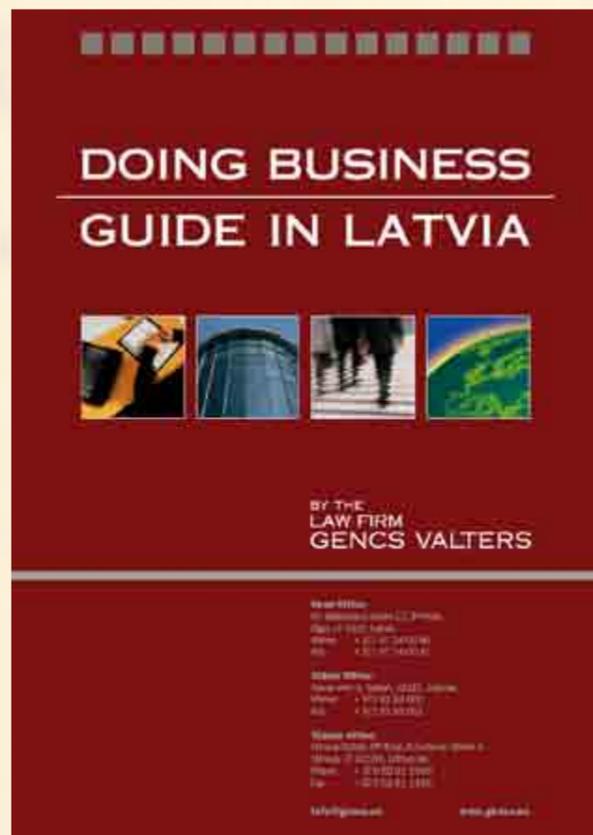
The VAT is 20% for most goods and services. The VAT for some goods, for example books, medicines are taxed with reduced VAT rate 9%. General VAT registration requirement for business entities is 16 000 EUR turnover, calculated per year. The registration obligation of foreign traders, without any permanent establishment in Estonia, may arise from the first day they start business in Estonia.

For further assistance on tax planning, please contact our law firm.



LIST OF FIELDS OF OUR EXPERTISE IN TAXATION IS AS FOLLOWS:

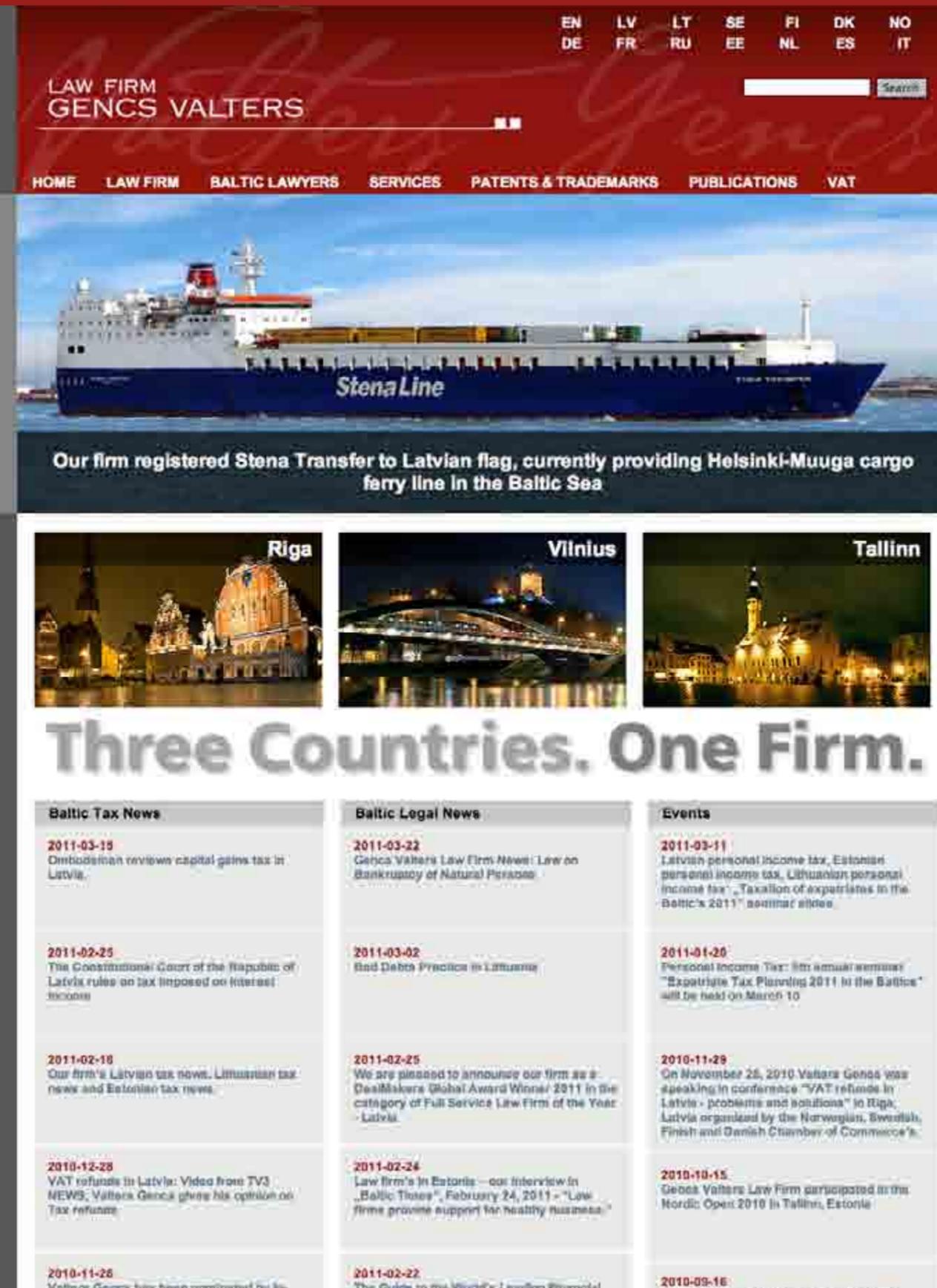
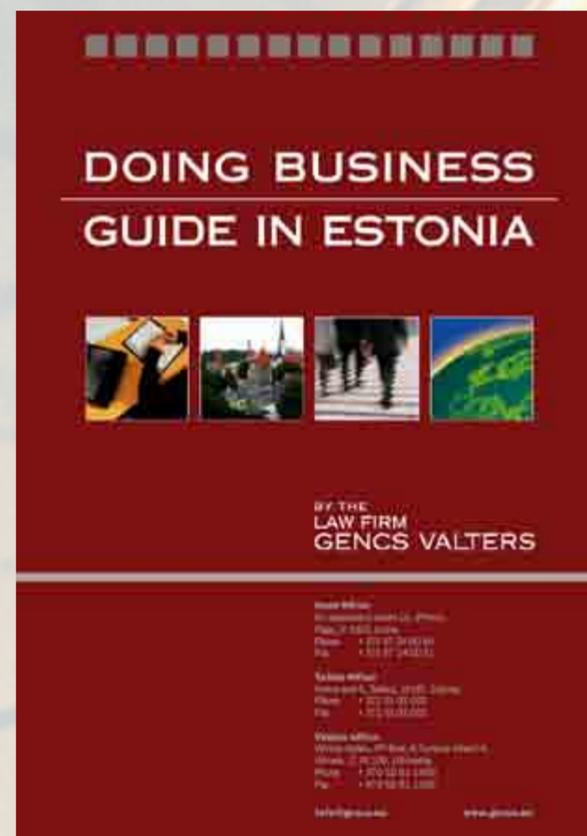
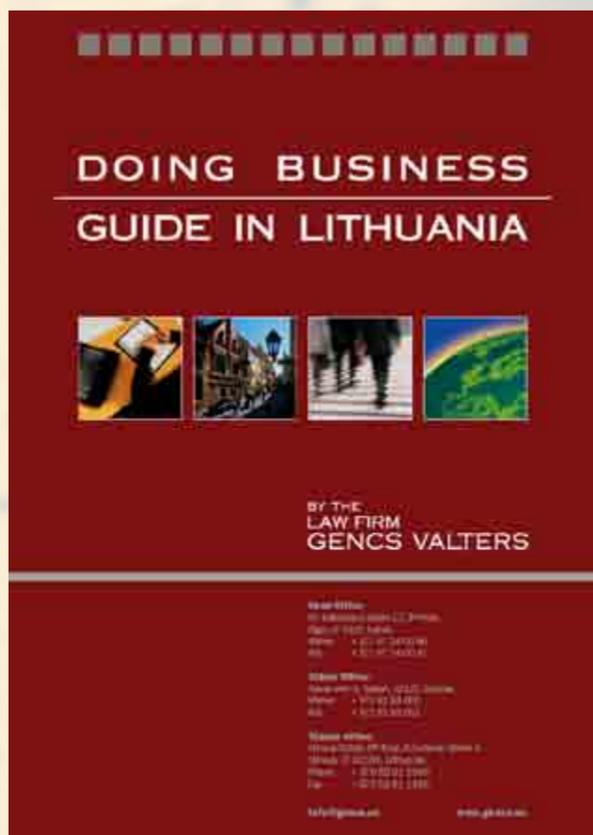
- ■ TAX PLANNING AND OPTIMIZATION
- ■ TAX LITIGATION
- ■ INTERNATIONAL CROSS-BORDERS TRANSACTIONS
- ■ VALUE ADDED TAX (VAT)
- ■ SOCIAL SECURITY
- ■ CORPORATE INCOME TAX
- ■ WITHHOLDING TAXES
- ■ PERSONAL TAXATION, INCLUDING FILLING OF ANNUAL TAX RETURNS FOR EXPATRIATES
- ■ REPRESENTATION BEFORE TAX AUTHORITIES
- ■ APPEAL OF TAX ASSESSMENTS
- ■ PREPARATION OF DECLARATIONS
- ■ ARRANGING RESIDENCE CERTIFICATES ACCORDING TO DOUBLE TAXATION AGREEMENTS
- ■ PROPERTY TAX
- ■ PAYROLL TAXES
- ■ VAT REPRESENTATIONS AND REGISTRATION
- ■ EXCISE TAX
- ■ PACKAGING TAX
- ■ NATURAL RESOURCE TAX
- ■ STATE DUES
- ■ LAND TRANSFER DUES
- ■ TAX AUDITS
- ■ ACCOUNTING CONSULTING



„Doing business in Latvia” guide contains “must to know” items required to succeed in the Latvian market for both the start-up companies as well as established businesses.

The guide describes practical points of the Latvian tax system, including expatriates taxation, provides for a company registration and immigration tips as well as deals with competition, intellectual property, financial reporting and accounting matters.

Please, let us know if you have any special questions on the matters discussed on would like to receive by email the updated versions of the guide automatically.



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