



CROSS-BORDER TRANSACTIONS

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Mergers and acquisitions are always liable to legal complexities, and even more so when there are cross-border aspects to a deal. To find out about the challenges and other issues that can arise on cross-border transactions, Lawyer Monthly speaks to Jakub Gladkowski, Attorney, Partner in KG Legal Law Firm. KG Legal is a Polish boutique law firm, member of London Chamber of Commerce and Industry and of Life Science Cluster, specialising in cross-border cases and in legal assistance in investments in Poland.



From your law firm's cross border practice, do we face an increased number of foreign investments in Poland?

Yes, our current cross-border practice shows that particularly small and medium-sized enterprises more willingly invest in Poland. They form joint ventures, with heavy emphasis on R&D&I projects which they develop in Poland in cooperation with research and scientific institutes and technical universities.

Which sectors remain mostly in the area of interest for foreign capital in Poland?

These are mostly new technologies and innovations, including those in construction industry. We are involved in many projects in the area of life science and bio-pharma. Some of particularly well developing projects are launched in IT sector, transport, freight and logistics as well as in innovative construction industry.

Why do those investors choose Poland for their cross-border projects?

Up to the year 2020, Poland will be the greatest beneficiary of the EU funds in the new financial perspective for the years 2014-2020. The biggest percentage of these funds will be spent to finance projects related to research development and innovations in enterprises. This fact gives Poland an advantage and provides investors with immense chances of alternative external funding of their projects in East-Central Europe.

Could you provide an example of such a project?

For example, a corporate foreign client establishes a special purpose vehicle in Poland, most often in the form of a limited liability company, and starts cooperation with, for example, a scientific/research institute or technical university with the purpose of ordering specific research, required to market an innovative product or a product with increased innovation. In such case, the Polish company, owned by the foreign client, is the applicant for the alternative funding, while the cooperating institute or university is treated as a subcontractor, providing the required research. Such joint ventures may be to a great extent externally funded, thus allowing for a greater budget and scope of the project. Thanks to such construction, a foreign entity that owns a company in Poland may, based on the EU funding, not only obtain the required research and innovative solutions but also carry out the complete certification process for its products and implement new technologies to its enterprise, which could otherwise turn out very costly. In our practice we support clients in all procedures of marketing the product and obtaining necessary protection within industrial property rights.

What are the examples of other cross-border cases handled by your law firm?

There is an increasingly greater number of foreign clients addressing our law firm with the queries of legal assistance in the area of cross-border cases involving Polish law or Polish nationals. These are often

cases pursued in foreign jurisdictions where certain aspects need to be analysed on the basis of Polish law. Some recent examples from our practice involve: carriage agreements, including transport of pharmaceutical products, personal injury cases, enforcement of debts, employment issues and marketing products in Poland by foreign producers. There are also many issues involving employee immigration or a broadly understood corporate immigration. We also advise on investments in Special Economic Zones in Poland.

In what aspects does your law firm's cross-border practice stand out?

We try to offer tailored made and comprehensive services for our clients. To that purpose we not only provide legal assistance, but also facilitate networking with business partners in Poland. Due to our law firm's membership in chambers of commerce we have developed a vast network of contacts which allows us to match business partners to foreign investors that are new in the Polish market, thus avoiding costly involvement of agents. Additionally, pursuant to state-granted licence, we offer services of corporate and private investigations, including due diligence, verification of debt payment capacity or asset tracing. Interestingly enough, we have been granted the statutory qualifications of certified translator in English language which allows us to render comprehensive translation services to our clients. **LM**