

## Legal landscape

Law firms have had to adapt their services to the changing economic environment. ACQ finds out what issues are affecting international business law



Szymon Buniak

Szymon Buniak is a senior associate at Polish law firm Kubas Kos Gaertner, which was established in 1995. He specialises in civil and procedural law as well as bankruptcy law, private commercial law and bill of exchange law. He also has a keen interest in international trade arbitration.

**What trends are you expecting to see in international business law in the coming year?**

"I don't think we will see many new trends this coming year. We will continue to observe the efforts of governments and parliaments to overcome the world economic crisis, as, despite the fact that it has been ongoing for some time now, new issues continue to emerge. These are significantly hampering the forecasting and neutralisation of threats."

**What will be the biggest challenges companies face in 2010?**

"The greatest challenges awaiting companies is accurately forecasting what will happen on a global basis as well as in their local markets. The scale of this challenge will be dependent not only on the size of companies' operations, but also on the relationships they build as well as the extent to which the goods they produce are susceptible to any further crises. The next biggest challenge is the currency risk assessment. The economy is an area in which the Butterfly Effect is being felt with increasing strength. Greece is a good example of this situation. The current economic instability of this country is leading to a significant weakening of the Euro, a world currency. This, in turn, is leading to an escalation of problems that will affect not only the

other Euro zone economies, but also those countries outside of the Euro zone that are connected to these economies."

**How has the recession affected demand for your services?**

"The type of legal assistance required by companies is dependent on the situation in which they find themselves in, or what their doubts as to the future are. The role of lawyers is to react to the needs of companies and in as far as possible, help them to foresee these threats. Those who achieve success will most accurately adjust their legal offering to the market's expectations. The versatility of legal assistance that we are capable of offering means we have the ability to adapt to the changing needs of our clients. The crisis did not change the demand for our services – it only impacted the types of areas we offer in the practice."

**How have you adapted your services during the downturn?**

"In today's fast changing world, the ability to efficiently adjust to new circumstances is the way to achieve success and this is very true for the competitive market of legal services. Lawyers focused on achieving success must not only adjust their offers to the current expectations of their clients, but also foresee those expectations. The case is no different for us. In observing the developing crisis in the United States, we have tried, to the best of our ability, to foresee in what way it could influence our clients, both in the short and the long term. We assessed how we could help them secure their interests before they even saw the threat."

**Are laws and regulations likely to become more complex for M&A deals, or less so?**

"There are different legal cultures across regions and countries have conflicting interests. In the long term, the evolution of the global legal system, including international law, will be advantageous for M&A activity."

**Are there any recent deals you wish to highlight?**

### DETAILS



Budynek „Focus”  
al. Armii Ludowej 26  
tel. +48 22 321 83 00  
fax +48 22 321 83 02  
warszawa@kkg.pl

"As lawyers working within the framework of a large, Polish law office, we are involved in numerous transactions with our clients, many of which have a complicated structure, with the risk being difficult to estimate. The trust that our clients have placed in us over the years is founded on confidentiality so we are not able to share too much information."

Erich Baier is a certified tax advisor based in Vienna, dealing with both domestic as well as international tax planning for individuals and corporations. This involves tax planning for inbound and outbound investments, consulting clients on how to reduce the tax impact on both domestic and cross-border mergers and spin-offs. The firm also supports clients in establishing holding companies and trading companies and advises clients in their efforts to exploit patents internationally via Austria in the most tax-efficient way, making use of the large and constantly growing double tax treaty network Austria has with other countries. With regard to such companies the firm also provides domiciliation services, financial accounting and services to set up annual accounts as well as preparing and filing tax returns.

Erich's tax practice also handles the establishment and management of Austrian private foundations, which not only preserve and protect the client's assets for the benefit of his family and himself but also enables the client to obtain capital investment income tax-free or almost tax-free in a legal way.

#### What trends have you observed?

"Due to the financial turmoil and the tremendous demand of revenue that most countries have been confronted with, I expect one of the major trends in international business law to be an increase in taxes. There will be a continuous effort from various countries' tax administrations to broaden the tax base."

#### What will be your focus this year?

"Our biggest challenge in 2010 will be to protect clients from tax burdens which might jeopardize their businesses and to provide know-how and services to help them to circumvent these fiscal obstacles as smoothly and in as cost-efficient a way as possible."

#### Was your business affected in the downturn?

"There is a constant demand for our services and the recession slightly increased this demand. Since there are only two things in life for sure, namely death and taxes, at least according to Benjamin Franklin, there is little we have to adapt when rendering our services to our clients. Regardless of whether the economy is thriving or in recession, the tax issue always has top priority."



Erich Baier

#### DETAILS



*Bilanz-Data*  
TAX LAW AND ACCOUNTING OFFICE

Bilanz-Data Wirtschaftstreuhand GmbH  
Tax Law and Accounting Office  
Schwarzenbergstraße  
1-3/14a  
1010 Vienna, Austria  
Phone: (+43 1) 516 12 0  
Fax: (+43 1) 515 12 14

Email: baier@austrian-taxes.com