

GLOBAL LAW and INVESTMENT FORUM MOSCOW

6th and 7th JUNE, 2013

organized by
Awara eduhouse
Training

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12+



The Moscow Global Law Forum offers a series of educational programs and seminars on global law issues. These will be facilitated by top legal and investment experts from Russia and across the globe. The program is aimed at the local and expat business community and investors in Moscow; people who need to plan how to structure their international operations. This year we have paid special attention to questions of how to structure Russian inbound and outbound investments through offshore structures, and indeed, to the need of doing so in the first place. This is especially pertinent in view of the euro crisis and the financial upheavals that have shaken Cyprus and affected Russian and international offshore investors. For this purpose, we have brought in the best international specialists to explain what countries around the world have to offer. We will

cover a broad range of jurisdictions: Asian, including Shanghai, Hong Kong, Indonesia, Thailand, Singapore, Malaysia and Macau; European, including Switzerland, U.K., Cyprus, Malta, Luxembourg, the Baltics, the Netherlands and Ireland; and the USA.

The concept “offshore” might be considered misleading. What we actually mean is how to structure your in-

ternational holdings and investments in a global world. Therefore, we will also cover countries that are not traditionally considered as “offshore” but which nevertheless offer great incentives for investment. To this end we are holding the following seminars: Business and Investment Laws in the Nordic and Baltic Regions, and Business and Investment Laws in Central

and East European Countries. These seminars will focus on: Finland, Sweden, Denmark, Norway, Estonia, Lithuania, Poland, Slovakia, the Czech Republic and Hungary.

In these programs Russian business people and investors will learn about the opportunities and challenges in commerce and real estate investment in the various countries discussed. In addition, they will gain valuable insight into taxation regimes, resident permits and more. We will also deal with global compliance issues such as transfer pricing rules, anti-corruption practices, and liabilities for directors and executives. Furthermore, we will study the controversial topic of the so-called foreign agent laws in Russia and the USA. The program will additionally include training courses in English law and US contract drafting. These are designed for practicing consultants and in-house lawyers.

CHOOSE A SEMINAR ON ANY OF THESE TOPICS

Business in Asia – Financial Hubs for Russian business

Investment and business in Central and Eastern Europe

The Nordic and Baltic Region – Investment and Business

Master class in English Law

Transfer Pricing in a Global Context
Anti-Corruption Legislation in Russia

Mediterranean Real Estate

Future Offshore Centers

Awara Executive Night – High-Level

International Business Networking

HELLEVIG · KLEIN · USOV LLC
attorneys at law

C/M/S/
Law, Tax

KPMG
cutting through complexity

CERBA
Association of Russian Companies
Business Association

AEB
Association of European Business

AIG

The Moscow Times

GLOBAL LAW AND INVESTMENT FORUM

SEMINARS

Get your high-level briefing from international experts and specialists!

The Global Law and Investment Forum, on June 6th to 8th, offers a series of seminars that are independent from each other and can be booked according to your personal interests. Choose your course now and be eligible for our discount policies:

- Early Bird Special (Register by May 31st and receive a 15% discount)
- Delegate special: 15% discount on 2nd company delegate and 25% on 3rd company delegate
- Seminar special: in signing up for one seminar, receive 15% on further seminar bookings

REGISTER SEPARATELY FOR ANY OF THE SEMINARS YOU ARE INTERESTED IN
Translations to Russian will be given as indicated.

SEMINAR 1:



General Director Powers and Liability in Russia

(June 6th, 9.30-12.00) Baltschug Kempinski

What executives need to know? Get the latest brief on recent changes in the legislation, challenges, risks and opportunities.

Board of Directors – Challenges and Liabilities,
Vladimir Kremer, AIG Russia
Ereena Somova, AIG Russia
Jon Hellevig, Awara Group, Russia
Leonid Zubarev, CMS Legal, Russia
Further speakers to be announced.
Russian translation available.

SEMINAR 2:



Transfer Pricing in a Global Context

(June 6th, 9.30-12.00) Baltschug Kempinski

What are the best practices and the latest legislative changes and requirements for transfer pricing in Russia? Get briefed on this topic from various aspects to know how to apply best practices for your organization.

Anastasia Kukushkina, Weatherford, Russia
Further speakers to be announced.
Russian translation available.

SEMINAR 3:



Contract Drafting - Workshop

(June 6th, 09.30-12.00) Baltschug Kempinski

The most important agreements are drafted according to English and U.S. law principles. This workshop is a must for Russian lawyers to be up-to-date!

Led by U.S.-based professional **Steven Spronz** (Murchison & Cumming).

SEMINAR 4:



Russian Inbound and Outbound Business through Asian Financial Hubs

(June 6th, 15.00-18.00) Baltschug Kempinski

What can locations like Hong Kong, Macau, Shanghai, Singapore, India, Indonesia, Malaysia and Thailand offer as centers for finance, taxation and commerce? Get to know advantages of investment and business in Asia's favorable metropolis!

Shanghai & Hong Kong (Jan Holthuis, HIL International Lawyers & Advisers, Hong Kong)
Macau (Jorge Menezes, Legal Macau Lawyers)
India (Nusrat Hassan, D.H. Law Associates, India)
Singapore
Indonesia

Malaysia

Thailand (Alisher Ali, Silk Road Finance)
Russian translation available.

SEMINAR 5:



Master Class in English Law

(June 7th, 9.30-12.30) Baltschug Kempinski

Learn about the fundamentals of English law, how to take your project public and structure a joint venture agreement during a workshop. Most international and high level investment contracts are drafted according to English law principles and style. The optimal briefing by top lawyers from the U.K., Edward Craft and Julian Mathews, for Russian lawyers to brush up on their knowledge!

Edward Craft, Wedlake Bell, UK
Julian Mathews, Wedlake Bell, UK

SEMINAR 6:



Investing in Mediterranean Real Estate

(June 7th, 9.30-12.30) Baltschug Kempinski

Mediterranean real estate as a good long term investment in times of European uncertainty, what are the opportunities, how to structure deals, taxation and financing opportunities? Learn how to analyze market conditions, trends, taxation, immigration and formalities and how to conclude a purchase and acquisition!

Kriton Metaxopoulos, A&K Metaxopoulos and Partners, Greece
Francesco Assegnati, CBA Studio Legale e Tributario, Italy
Marc Gil Van Beveren, Adarve Abogados, Madrid
Antonio, Alfaia de Carvalho, Carvalho, Matias & Associados, Portugal
Tonio Ellul, EMD Advocates, Malta
 Russian translation available.

SEMINAR 7:



Russian and Global Anti-corruption Legislation and the Foreign Agent Acts of Russia and U.S. (FARA)

(June 7th, 9.30-12.30) **Baltschug Kempinski**

Learn about the latest updates in Russian, U.S., UK anti-corruption and anti-bribery laws and the efforts to fight graft. Hear about the U.S. Foreign Agent Registration Act (FARA) and Foreign Corrupt Practices Act (FCPA).

Ruslan Danilevich, International Compliance Association, Russia

Brian Dickerson, Roetzel & Andress, U.S. (Washington DC)

Lee Piovarcy, Martin, Tate, Morrow & Marston, U.S. Tennessee

Russian translation available.

SEMINAR 8:



Offshore choices. Where does Russian money go now?

(June 7th, 9.30-12.30) **Baltschug Kempinski**

Which are favorable jurisdictions for organizing Russian inbound and outbound business and investments?

Angelos Gregoriades, KPMG, Cyprus
Veronique Wauthier and Philippe Raxhon, Tabery & Wauthier, Luxembourg
Stephen Balzan, EMD Advocates, Malta
Ton K. Lekkerkerker, Dirkzwager Advocaten & Notarissen, Netherlands
Christophe Rapin, Meyerlustenberger Lachenal, Switzerland
Sheena Beale, Kane Tuohy, Ireland
Steven Spronz
 Russian translation available.

SEMINAR 9:

Business and Investment Law in the Nordic and Baltic Region

(June 7th, 14.00-17.00) **Baltschug Kempinski**

What can Nordic and Baltic countries offer for Russian business and investment? Learn from local experts about business set-up, industry, real estate, migration issues and taxation.

Niels Christian Docker, Lund Elmer Sandager, Denmark
Markus Myhrberg, Lexia, Finland



Max Björkbom, Hökerberg & Söderqvist, Sweden
Tom Eivind Haug, Advokatfirmaet Svendrup, Norway

Urmas Ustav, Lextal, Estonia
Lina Siksnite, Lextal, Lithuania
 Russian translation available.

SEMINAR 10:



Business and Investment Law in Central and Eastern Europe

(June 7th, 14.00-16.00) **Baltschug Kempinski**

What can Central and Eastern European countries offer for Russian business and investment? Learn from local experts about business set-up, industry, real estate, migration issues and taxation.

Pavel Novotny, Vyskočil, Kro lák & spol. Czech Republic

Agnes Balassa, Bihary Balassa & Partners, Hungary

Andrzej Kalwas, Kalwas & Partners, Poland

Gerta Samelova Flassikova, Aliancia Advokatov, Slovakia

Russian translation available.

REGISTRATION OPEN NOW

Contact us for questions and registration assistance: GLOBALFORUM@AWARAGROUP.COM

Register Online and Visit our Global Law and Investment Forum Website: WWW.TELFA2013-MOSCOW.RU

SEMINAR 1:	GENERAL DIRECTOR POWERS AND LIABILITY IN RUSSIA (JUNE 6TH, 9.30-12.00)	11.700 RUB
SEMINAR 2:	TRANSFER PRICING IN A GLOBAL CONTEXT (JUNE 6TH, 9.30-12.00)	11.700 RUB
SEMINAR 3:	CONTRACT DRAFTING WORKSHOP (JUNE 6TH, 09.30-12.00)	8.900 RUB
SEMINAR 4:	RUSSIAN INBOUND AND OUTBOUND BUSINESS THROUGH ASIAN FINANCIAL HUBS (JUNE 6TH, 15.00-18.00)	11.700 RUB
SEMINAR 5:	MASTER CLASS IN ENGLISH LAW (JUNE 7TH, 9.30-12.30)	7.900 RUB
SEMINAR 6:	INVESTING IN MEDITERRANEAN REAL ESTATE (JUNE 7TH, 9.30-12.30)	7.700 RUB
SEMINAR 7:	RUSSIAN AND GLOBAL ANTI-CORRUPTION LEGISLATION (JUNE 7TH, 9.30-12.30)	7.700 RUB
SEMINAR 8:	OFFSHORE CHOICES. WHERE DOES RUSSIAN MONEY GO NOW? (JUNE 7TH, 9.30-12.30)	7.700 RUB
SEMINAR 9:	BUSINESS AND INVESTMENT LAW IN THE NORDIC AND BALTIC REGION (JUNE 7TH, 14.00-17.00)	7.700 RUB
SEMINAR 10:	BUSINESS AND INVESTMENT LAW IN THE CENTRAL AND EASTERN EUROPE (JUNE 7TH, 14.00-16.00)	7.700 RUB

DISCOUNT POLICIES:

Early Bird Special: Register by May 31st and receive a 15% discount!

Delegate Special: 15% discount on 2nd company delegate and 25% on 3rd company delegate

Seminar Special: Sign up for one seminar, receive 15% on further seminar bookings

THE FUTURE OF OFFSHORE JURISDICTIONS. WHERE WILL RUSSIAN MONEY GO NOW?

An interview with Jon Hellevig, Managing Partner of Awara Group

1. *The much talked about banking crisis in Cyprus has raised questions and brought the offshore dealings of Russian businessmen to the headlines. Why do Russians use these off-shores?*

First, let's understand what we mean by offshore centers. We live in a global world and every international company needs to put in place a suitable structure for their global financial dealings. An offshore is a legitimate means of organizing international financial transactions. What's more they perform an important function in checking the appetites of governments to raise taxes on their citizen by creating favorable competing tax regimes.

It's in this way that Cyprus has been so important to Russian business, offering marvelous opportunities to organize their international financial structures. Many factors have contributed to the success of Cyprus. The island in the sun has always offered a warm welcome, and, with its liberal visa regime, easy access to Russians. In the years of transition when Russian law started moving from the old Soviet system and embraced the free market economy, Cyprus offered stability and predictability. Furthermore, a highly competitive taxation system was of benefit to both Russian and foreign investors in their dealings with Russia. Cyprus has a 500-year-old legal system built on the traditions of English law. Here there is a wealth of Western, mostly UK, trained lawyers, accountants and auditors who have been able to offer top quality professional services at affordable prices. These and many other factors, combined with the sunny climate (an obvious attraction for Russians!) have all contributed to the popularity of Cyprus.

2. *What really happened in Cyprus and why?*

What happened in Cyprus represents one chapter in the never-ending Euro crisis. We've seen this problem a lot in the Euro zone and it results from market imbalances caused by the Euro monopoly. The Cyprus government, households and banks took on too much debt with the result that the two biggest banks became insolvent. Unfortunately, Cyprus became a guinea pig for experimenting with new methods to resolve the crisis. In a dramatic change of politics, and contrary to all Mr. Draghi's, the chief of the European Central Bank, affirmations, it was decided to raid the depositors' funds to prop up the ailing Euro system.

There are two reasons why Cyprus became an exception to the rule. First, it is a tiny country, and second, the leading Northern European governments, didn't want to bail it out. They pandered to populist sentiment, spread by the media, that Cyprus was a haven for "dirty Russian money". These governments and their press circulated the completely absurd idea that Russians were to blame for the banking crisis by the mere fact that they had deposited their money there. Before this it was always thought that bank failures were caused not by depositors but by mismanagement of the deposits by banks.



Jon Hellevig, Managing Partner of Awara Group

3. *Then what caused the failures of the banks in Cyprus?*

Paradoxically, the immediate reason was cheap funding provided by the European Central Bank. This encouraged the leading Cypriot banks to pile up excessive amounts of the sovereign debt of another Euro country, namely Greece. Cyprus was actively encouraged by EU leaders to do this. So they duly supported the Greek economy by investing in Greek bonds. When things got bad, EU leaders made an about-face and required the Cypriot banks to write off their Greek holdings, as part of their support for Greece.

4. *You seem to be implying that the problem is the Euro. What's wrong with the Euro?*

According to competitive liberalism, the fundamental principle of a true market economy is competition. Competition has to be ensured in all aspects of the economy, politics, and social practices. It is precisely here that the Euro, and indeed the EU, has failed. The Euro is a monopoly currency, which de facto demolished the functioning of a free market.

After the initial stages of the free market in the early eighties, the European Union sadly became a project for eradicating competition in all aspects of the economy and life. The replacement of national currencies with the Euro was merely the culmination of this tale of woe.

Free competition guarantees a perfect market, and continuously, albeit imper-

ceptibly, like an invisible hand, removes imperfections and excesses from the market. The story of the Euro is a case in point. The Euro created an absolute currency monopoly in Europe, sharing this monopoly with the US dollar at the global stage. As always happens with monopolies, the Euro wrecked the European currency market by giving rise to imperfections, which removed normal risk-reward considerations and the interest rate parity of a free market. This led to a situation where interest rates became artificially low. Investors, lenders, borrowers and governments all took leave of their senses and thought that they could borrow without any limits, forever, as long as the debtor country was in the Euro zone. The Euro became just one episode in the endless series of speculative market bubbles that actually started with Dutch tulip mania in the early 17th Century.

Had the countries concerned retained their national currencies, they would never have been in the position to pile on so much debt. Interest rate parity between currencies and prevailing interest rates would have remained intact guaranteeing that no country would have been able to amass such unsustainable levels of debt. It is precisely this kind of a free market that can guarantee the sustainable growth which the European politicians so much love to speak about. For example, if in the situation prior to the Euro monopoly, Greece had suffered too big a deficit and

taken on too much debt, the interest rates on the drachma would have gone up and/or its currency would have been devalued in relation to other currencies. In this way, competing currencies continuously maintain a harmonious balance in the markets. In a free market, without the Euro monopoly, countries would have been forced to keep their economies in shape at all times. Sweden is a good example of this. Because it opted out of the Euro madness, it has always been forced to demonstrate prudent government financing and debt levels and therefore it is today the European financial champion.

Thus what we need for a functioning European and global economy are competing currencies. But this is not a completely new idea. The famous economist Friedrich Hayek (1899 - 1992) long ago advocated the need for competing currencies, not only as national currencies but also suggesting that there should be several competing currencies in use within the more sizable individual countries. He explicitly warned against the Euro, a warning that European leaders and opinion makers, in their megalomania, failed to heed.

5. *Going back to offshore choices. What does the Cypriot crisis mean for Russian companies and will they now stop using offshore companies?*

Personally, I think that when the dust settles, Cyprus will again be a good option. It may be that a lot of those Russian companies who are already there will want to reconsider their position. However, I think many will stay because they will always need a global footing somewhere for their business dealings. Anyway, the Cypriot banking crisis is already a fait accompli. Many will also bring more of their business onshore to Russia, buoyed by a decade of vigorous improvements in the rule of law and promising trends in an improving business climate. All in all, the tendency for Russians will be to use off-shores in a more sophisticated way, and more as legitimate international financial hubs. The choice of jurisdictions is large and business people need to study the choices very prudently.

6. *And what are the other offshore options?*

There are a lot of options. We should bear in mind that these other options have been available all the time, in parallel so to speak. Not all Russian money is or was destined for Cyprus, and of course there is now heightened interest in exploring all the other possibilities. We can consider a number of European countries, and this could be divided into so-called European offshores, including: Switzerland, Netherlands, Luxembourg, Ireland and perhaps Malta. Then there are the Baltic countries, especially Latvia, traditionally of great interest to Russians, and also countries like Bulgaria. Consider also the Asian financial hubs, particularly Hong Kong and Singapore, and why not Malaysia and Indonesia, too? And let's not forget the USA, which also offers very interesting possibilities in this regard.