



WARWICK LEGAL NEWSLETTER

Warwick Legal Network is proud to present this first edition of the Warwick Legal Newsletter. After we left our old identity as Moore Stephens Legal Network (for reasons as explained in this issue), this is the first appearance on stage of our new name and look. We are confident that this new identity will be an encouragement to further growth of our independent network. At the same time our close contacts to Moore Stephens will certainly be continued, based on the friendship as we have experienced in the past.

Luca Corabi,
Chairman of the Board of
Warwick Legal Network

This newsletter is a quarterly issue of Warwick Legal International Network Limited, an international association of independent law firms.

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EDITORIAL (by John van Loo, editor of the *Warwick Legal Newsletter*, partner at *Vlaskamp Van Loo Advocaten Amsterdam*, the Netherlands, jvl@vlaskampvanloo.nl)

A new name, a new medium. This September 2005 edition is the first Warwick Legal Newsletter. In this quarterly newsletter the Warwick Legal Network will inform you about growth of the network, joint efforts of members of the network, past and future conferences and legal issues of interest to lawyers and other professionals involved in cross border business. The Warwick Legal Newsletter will in each edition focus on a certain

country. Due to the last Moore Stephens Legal Network meeting in Bucharest, this edition will look back on that meeting and give some useful information about doing business in Romania.

Furthermore this edition features an article on cross border recognition and enforcement of judicial decisions and will look forward to the Moore Stephens and Warwick Legal Network joint conference in Istanbul, Turkey.

In this first newsletter you will find:

- 1. an introduction to Warwick Legal Network***
- 2. a review on the latest MSLN conference in Bucharest***
- 3. an article on real estate investments in Romania***
- 4. an update on cross border debt collection, focused on the European Enforcement Order***
- 5. a preview to the joint MSEL / Warwick Legal Network Conference in Istanbul***



1. INTRODUCTION TO WARWICK LEGAL NETWORK

(by Marianne Schollen, Executive Manager of Warwick Legal Network, Attorney at Esch & Kramer, Wuppertal, Germany, schollen@eschkramer.de)

We are pleased to inform you through this newsletter that the new name of MSLN is Warwick Legal Network. "Warwick Legal" which was supported by a majority of members' votes emphasizes the international background of the network and reaffirms English as the common language in the network. Clearly - the English and Moore Stephens connection has played a role and this is in line with the Bucharest conference support of delegates in April 2005 for a continuing Best Friends Relationship with Moore Stephens accountants. There is a connection to Moore Stephens in the name because Moore Stephens' St. Paul's House' address in London is Warwick Lane. This is also the company address of Warwick Legal Network Limited.

The reasons for the decision revolve around the definition of a network that IFAC and the EU-commission (8th directive) have

been deliberating for some time.

According to this definition a network firm is "*a firm that is part of the larger structure to which the firm belongs and which makes use of a common brand name (..)*."

By being part of the overall Moore Stephens network structure and having the common name Moore Stephens, MSLN must be considered a Moore Stephens network firm. Lawyers like other consultants in the same network with auditors are a potential threat to the auditors' independence and to avoid costly databases and conflict checks, the Policy Committee of MSIL decided in March this year that the Legal Network should become independent. Other global firms have taken this step, too.



2. MSLN BUCHAREST CONFERENCE 22-24 APRIL 2005 (by Marianne Schollen, schollen@eschkramer.de)

This successful and productive conference, the last to be held under the name of Moore Stephens Legal Network, was hosted in Bucharest by member firm Vasile Deleanu Avocati and brought together representatives of members in Austria, Belgium, Cyprus, France, Germany, Gibraltar, Italy, the Netherlands, Poland, Romania and Spain.



MSLN Bucharest Conference 22-24 April, 2005

The focus of the conference was the direction to take following the new independence regulations of IFAC and EU for auditors and the decision of MS International that MSLN should become independent. In working groups we identified and discussed network achievements and advantages for members since MSLN foundation in 2001. The number of member

firms has tripled since network foundation in 2001 and members expressed that the development of cooperation in client business was promising. We agreed that more needs to be done to recruit members in countries represented as well as in other countries and, generally, to achieve strong visibility both inside and outside Moore Stephens.



Members reaffirmed that, without question, today's commercial law firm requires a functioning international network because our clients need cross-border services. Only an effective network can provide the quality and speed of service required and give us confidence that these clients will stay with us. There was agreement

that a strong relationship to Moore Stephens accountants and its worldwide network potentially provides a significant competitive advantage over other legal networks and the delegates clearly supported the Board of MSLN in its proposal of a "best friends relationship" with Moore Stephens International.



3. REAL ESTATE INVESTMENT OPPORTUNITIES

(by Diana Deleanu, Assistant Professor at "Nicolae Titulescu" Bucharest University, attorney at Deleanu Vasile Avocati, Bucharest, Romania, diana.deleanu@deleanu.ro)

Romania's future accession to the European Union offers tremendous advantages to the foreign investor in the period leading up to the formal signing of the treaty in 2007.

Real estate is still relatively cheap in Bucharest for a European capital and the market is exploding as we come closer to joining the EU. Buying real estate and waiting for time to pass in order for the asset's price and your own profit to grow could be a business opportunity.

A clear sign that the real estate

business is extremely profitable is the fact that following recent changes of the Fiscal Code, the Romanian Government will itself profit from this business boom by the introduction of a 10 % tax on the profit made from reselling real estate after less than 3 years. The 10% tax is applicable only to purchases made up to December 31, 2005; after this date, the tax rate will be 16 %.

It remains the case that only Romanian entities (natural or legal persons) may hold property rights over immovable assets. This



includes companies with 100 % foreign shareholding. Therefore, foreign investors are able to set up a Romanian trade company (minimum share capital equivalent €70,00) which purchases the real estate. For purchases made before December 31, 2005 10% tax have to be paid on capital gains if you sell the property in three years time.

Romanian law provides a possibility to avoid this tax if the trade company passes on principal real rights derived from the right of

the property over the land (e.g. superficies or usufruct right) before three years have passed while the actual ownership passes after three years.

To smooth the investors' path to Romania, the new Lawyer's Statute gives law firms the right to host a new company's headquarters, thus disburdening the investor from having to find legal headquarters and get all the necessary approvals.



4. CREATING A EUROPEAN ENFORCEMENT ORDER FOR UNCONTESTED CLAIMS

(by Paul Drok, attorney at *Vlaskamp Van Loo Advocaten*, Amsterdam, The Netherlands, pd@vlaskampvanloo.nl)

A new Regulation (EG) nr.805/2004 of the European Parliament and the European Council intends to simplify the mutual recognition and enforcement of judicial decisions regarding uncontested claims within the European Union. It is applicable from 21 October 2005. The purpose of this Regulation is to create a European enforcement order for uncontested claims to permit (by laying down minimum

standards), the free movement of judgments, court settlements and authentic instruments throughout all Member States. It is no longer required to bring intermediate proceedings in the Member State of enforcement prior to recognition and enforcement.

In order to enforce a judgment obtained in your own country in another Member State it used to be necessary to get the judgment



confirmed by the Member State in which enforcement is sought. Without this confirmation it was impossible to enforce the judgment obtained in your own country. With this EU Regulation this is no longer necessary for uncontested claims. A judgment that has been certified as a European Enforcement Order by the court of origin should, for enforcement purposes, be treated as if it had been delivered in the Member State in which the enforcement is sought. This applies to all countries who are member of the European Union.

The two requirements are:

- 1. This Regulation shall apply to judgments, court settlements and authentic instruments on uncontested claims.*
- 2. A judgment which has been certified as a European Enforcement Order in the Member state of origin shall be recognised and enforced in the other Member States without the need for a declaration of enforceability and without any possibility of opposing its recognition.*

The Regulation specifies when it is possible to speak of uncontested claims. The requirements for certification as a European Enforcement Order are also clearly specified in the Regulation.

If these requirements are met a judgment will be certified as a European Enforcement Order. As a result the enforcement procedures shall be governed by the law of the Member State of enforcement and will be enforced under the same rules as a judgment handed down in the Member State of enforcement.



5. MSEL Conference in Istanbul from 17 – 21 September 2005

(by Marianne Schollen, schollen@eschkramer.de)

Warwick Legal Network is delighted to be invited to the MSEL conference in Istanbul. The conference theme "Winning in the Post-Parmalat Environment" shows the program focus is on strategic opportunities and realities that are affecting all networks. With a 20 minutes presentation ("The Legal Network – The Way Ahead") of the independent Warwick Legal Network to 140 accountants on Monday 19/09 the Warwick Legal Network forms an integral part of the overall theme.



On Tuesday 20/09, the Legal Network will have separate sessions. After an introduction by the chair Luca Corabi there will be presentations on China and we expect to have a lively discussion on how to make use of the potential of Chinese business. For the rest of the day we will look at general and specific marketing

issues for Warwick Legal Network, followed by a presentation from Monika Kufner, attorney, of KPWT Munich on marketing and cooperation with Moore Stephens accountants at national level. There are 22 delegates who have registered for the Legal Network (more than at any past big Moore Stephens conference). We will be pleased to welcome from the US Dan Peregrin, CPA and attorney, of the accounting firm MS Frost Group in Little Rock, Arkansas. Following the membership application of the law firm in MS Frost we will be looking at short and medium-term plans to establish the Warwick Legal Network in the US. We are confident there will be equally successful cooperation in Warwick Legal Network and we much look forward to this special conference event.



Introduction to the Board of Directors of Warwick Legal Network:



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Disclaimer

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