

NEWSLETTER NO 38
of the Association of Corporate Lawyers

WHAT WAS HAPPENING DURING MAY AND JUNE?

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1. Five years of existence and activities of the Association of Corporate Lawyers

The Association of Corporate Lawyers celebrated its fifth anniversary of the existence and activities holding its regular General Assembly Meeting followed by an occasional party held in C Hall on the ground floor of the Croatian Chamber of Economy at Roosevelt Square No 2 on 1st June, 2012. The General Assembly adopted the proposal to elect Ms Josipa Jurinić to be the president of the Association and Ms Marina Kralj Miliša, Ms Ajka Ševerdija, Ms Narcisa Knežević and Ms Gordana Pandžić to be members of the Presidency, and Mr Damir Lemaić, Ms Branka Andrassy and Mr Nikola Skenderović to be the members of the Supervisory Board, all of them having the term of office of one year from the date of their election.



Besides, it was a great opportunity to remind us of the latest events and activities performed during five years of existence. Association activities can be reviewed at the domestic and at the international level.

The most important activities at the domestic level were bound to the communication with the government bodies in the field of providing for the professional status for in-house lawyers. The Association presented the need to regulate the status of corporate layers to the Ministry of Law several times during five years of existence regarding the legal regulation of the status of judges, state attorneys, attorneys at law and public notaries. Speaking about the status we emphasised in the first line employment of lawyers by corporations and theoretical education representing a precondition for registration and setting for the bar exam and cooperation realised by the Association with the Croatian Public Notary Chamber. Without that cooperation, lawyers employed by trading companies would not have been able to register and sit for the bar exam.

The cooperation with the Faculty of Law of the University of Zagreb in the field of performance of obligatory study practical work of the students of the third, fourth and fifth year of the study is one of more important domestic activities. During five years of its existence, the Association organised various round tables with eminent legal experts aiming to provide for continuous lifelong education and training of corporate lawyers and exchange of experience.

The Association has been maintaining a web site comprising a lot of useful information necessary to in-house lawyers. The web site also presents the Association and corporate lawyers to any interested person visiting the site. We have received many approvals regarding the contents and the updating of the site.

Further on, the Association publishes a newsletter and send it to all the members to their e-mail addresses and publishes it at the web site. The newsletter is published five times a year, at the end of February, April, June, October and December. Each edition comprises information on the content of seminars and other forms of education and training in which our members participate, expert articles prepared by our members, announcement of events and various other useful information.

Important activities at the international level were association of the Association to the European Company Lawyers Association (ECLA). Some six months after its establishment, on 16th November, 2007, the Association was accepted as a full member of that eminent European association of corporate lawyers at ECLA Presidency Session held in Dublin, Ireland. The Chamber of in-house lawyers of Portugal was accepted as a full member together with us. We have our representative in an ECLA body and a member of the Association is always present at all regular ECLA body meetings representing not only the interests of that international association, but the interests of our Association as well. In such a way, we are associated and informed about all events in other countries whose representatives are also ECLA members.

In 2007 the Association organised seminar English Law for International Lawyers. One of the teachers was Alan Warda, a professor of law at the University of Essex. Cooperating with him, as a specialist for international trade and banking, the Association organised seminars having the topic Documentary Credits & Bank Guarantees in International Trade Finance in Zagreb, during the time period from 28th to 31st January, 2008. It was a continuation of the project of education of corporate lawyers.

The Association organised a gathering of some 50 corporate layers from Croatia and abroad on the island of Rab during the time period from 4th to 6th April, 2008. Ms Ajka Ševerdija, a corporate lawyer employed by the company Rapska plovidba d.d. (Rab Navigation Inc.) from the settlement of Rab was the host of the gathering. Mr Francesco Benigni, the ECLA secretary used the occasion and talked about the position of in-house lawyers in Europe, current ECLA activities and the activities of its member associations and pointed out that no association as young as the Association of Corporate Lawyers of the Republic of Croatia achieved such prominent results in less than a year of existence.

During the time period since 16th to 18th October, 2008, the Association was the host of the ECLA Management Board held in Zagreb.

Cooperating with the Faculty of Law of the University of Rijeka, Legal Academy and the Association of Lawyers in Banking of Bosnia and Herzegovina, having the function of co-organiser, the Association organised the international conference under the name of Financing, managing and restructuring of trading companies during recession in October, 2010. Our member, Ms Olgica Mikinac presented one of important papers. 130 participants were present at the Conference presenting 22 papers.

Those events represent only a part of activities of the Association during the last period. We have regularly informed you on those events, and this time only the most important are pointed out.

In the future period the Association will continue with the stated activities and the obligation of the Association is to give its contribution to the challenge that lawyers face regarding the association of the Republic of Croatia to the European Union. More concretely, present and future members of the Association shall respond to the requirement of application of the legal legacy of the European Union not only on the territory of the Republic of Croatia, but also in front of the institutions of the European Union. We hope that the Association and its present and future membership are equal to the task and that they will cope successfully with emerging challenges to the satisfaction of the members of the Association, all in-house lawyers and trading companies employing corporate lawyers. Success of corporate lawyers in their everyday work is a precondition for further employment of lawyers in trading companies and a precondition for consolidation of professional organisation of corporate lawyers as holders of an active policy in the society. Therefore let us

conclude this article with words: we wish a lot of success to all corporate lawyers in all of their professional activities they work on.

2. 50th Conference of Lawyers, Opatija 2012, with the topic “Actualities of the Legislation and the Practice”

50th jubilant Conference of Lawyers Opatija '12 organised by the Croatian Union of Associations of Lawyers in Economy was held during the time period from 9th to 11th May, 2012. At their conference, lawyers traditionally dealt with actualities of the legislation and the practice.

When he opened the Conference, the chairman, academician Jakša Barbić talked about 50 years of professional association of lawyers in the economy emphasising that the Croatian Union of Associations of Lawyers in Economy was the oldest association of lawyers in the country. He pointed out that 60 % of all the lawyers worked in the economy during a majority part of existence of the Association, but the situation has been changed today. Earlier, the majority of legal subjects had employed their own lawyers. Legal activities had been generally performed within the legal person, and engagement of a free-lance expert had been an exception. After transition to state owned companies, the number of lawyers employed by those companies was decreased a little, but the situation in which lawyers employed by those companies performed expert legal transactions were prevailing, and free-lance lawyers were engaged in a smaller extent and only for special issues. The number of legal subjects changed dramatically in the meantime. The fact was that although transformed state owned companies had a very low number in the total number of companies, they had incomparably higher capital compared to other companies and they presented stronger economic forces. The structure of companies, changed in such a manner, influenced the status and performance of in-house lawyers. Larger trade companies continued to employ lawyers to perform legal issues, even those companies that did not belong to large companies neither regarding the number of employees, nor their share capital, but the nature of their business operations required that. The Republic of Croatia was immediately in front of association to the European Union, but the society in Croatia was in a general crisis with an invisible end, unfortunately. Our lawyers in the economy were again in front of a new challenge. Although it was not a novelty for them taking into consideration numerous essential changes in the legal system that had been happening in the past and they were adjusted to begin to work in an essentially different environment every fifteen years, but the challenge was different this time. Relationships were more complex, legal regulation at a large scale; although it comprised modernised regulations, it was not regulated in such an extent to make a consistent legal system, there were still neither practice of domestic courts, nor administrative bodies regarding application of the law harmonised with the European legal legacy. Many things were under the question mark in Croatia, and the application of law could not be postponed under the new conditions. Therefore the feature that was required from lawyers was creativity.

After the introductory letter given by the academician Jakša Barbić, the gathering was greeted by Mr Branko Hrvatin, the president of the Supreme Court of the Republic of Croatia and Ms Sandra Artuković – Kunšt, the deputy Minister of Law of the Republic of Croatia.

The urgency and the relevance of the conference were also visible from the selection of the topics bound to the *acquis communautaire* such as: what can EU market bring to Croatian entrepreneurs; who regulates regulators; terms of fulfilment of contracted financial liabilities – EU directives and Croatian laws.

Practitioners' needs were satisfied with presentation of the following themes: Unfair contractual stipulations – general and special arrangements; responsibility of management board members to creditors for the damage caused by failure to fulfil company's liabilities; Should the status in the land registry be settled by a suit or in an out-of-court procedure; reimbursement of the damage in employment relationships; legal remedies in public procurement procedures with a special view of recently established Administrative Courts in the Republic of Croatia.

Novelties were presented through two topics: “New General Acts of the Permanent Arbitration Court of the Croatian Chamber of Economy” and “What the Tax Reform Brings to Us.

Twenty-two announcements were applied for at the Conference out of which three referred to the economy: Common usage of electronic communication infrastructure by dr. sc. Justina Bajt, HT-a d.d.; Common problem (universitas rerum) as an object of floating mortgage law insurance by Petar Radošević, Ingra d.d. Zagreb; and Criminal offence of unauthorised entrance into business facilities belonging to another person by Damir Majstorović, Tehnomont d.d. Pula. Only dr. sc. Justina Bajt presented her announcement orally.

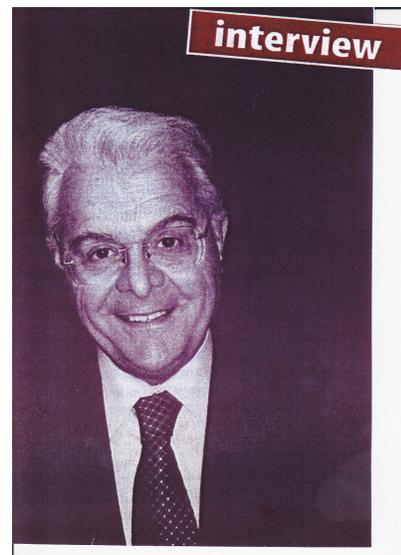
On the terrace of Imperial Hotel in Opatija, at 13:00 p.m. on Thursday, 10th May, 2012 the Association of Corporate Lawyers organised a gathering for its members. The invitation was accepted by lawyers from more important legal entities of the Republic of Croatia.

Conclusion:

New challenges faced by in-house lawyers undoubtedly point out the need of gathering, exchanging of experience from the “first hand”, theoretical education, in the first line for the needs of sitting for the bar exam, updated monitoring of the court practices that also comprised the practice of Courts of the European Union, increased influences to the legislation initiatives and passing of laws, finding of a proper niche within the economy and the legislation. Therefore the need of a strong and organised professional linking of corporate lawyers is emphasised more than ever before.

3. Interview with academician Jakša Barbić

Please, be so kind and let us congratulate you sincerely the 50th anniversary of existence and activities of the Croatian Union of Associations of Lawyers in the Economy. Thank you very much for your congratulations for the 50th anniversary of the establishment of the Association of Lawyers in the Economy of Croatia that works today as Croatian Union of Associations of Lawyers in the Economy and unites associations from Istria, the County of Karlovac, Osijek, Rijeka, Split, Varaždin and Zagreb. It is the oldest lawyers’ association that is active today in the country. The Union has been organising permanent annual gatherings of lawyers in Opatija for 10 recent years and it publishes the oldest lawyers’ magazine in Croatia after the Proceedings of the Faculty of Law of the University of Zagreb under the today name *Law in Economy*. The foundation of the Union’s activities is based on activities of associations. During the Union’s existence it has been financed all of its activities alone, without any external help. That proves that the Union has been well accepted by lawyers.



We feel free to ask you some questions.

1. What is your opinion about the position of the legal profession in the Republic of Croatia compared to other professions?

The current position of the legal profession in Croatia is not well. It should be noticed that it has never been excellent, in the first line the position of lawyers employed by legal entities active in the economy. I have been writing about that a lot and many times, and the last time it was in my paper “Fifty years of professional linking of lawyers in the economy” published in the Proceedings of the 50th jubilant lawyers’ conference – Opatija '12”. I showed the position of in-house lawyers during the last 50 years in the article.

The understanding of the law and lawyers in Croatia is more or less constant. With the exception of legislations, lawyers are always a kind of disturbing foreign bodies for other professions because they always require application of proceedings that are strange to other professions. I believe that the best definition is pronounced by professor Ihering who says that a lawyer is a human being who thinks differently with the obligation to think as a philosopher and to talk as a farmer. Each profession has its own inner logic, but other professions cannot understand that the logic of their professions applies to what they are dealing with and that this logic of thinking is not obligatorily valid for the law, too. At the other hand, the law arranges everything including activities of other professions making lawyers very sensitive and bringing them into a conflict with other professions to whom lawyers have to explain that their logic is not applicable to the law.

I would like to give an example from the medicine that revealed me that some doctors understand law incorrectly. A doctor told me that he made a mistake, but that he was lucky because he had right to 2 % of mistakes and he treated hundreds of cases without any mistake and he was still within the bonus. He does not understand that such a percentage can be valid for ranging of persons within a profession, but that it cannot exclude responsibility that is always complete in each individual case. At a round table organised by the Croatian Academy of Science and Arts on the responsibility in the medicine, doctors emphasised "complication" as a term opposed to "mistake" referring to the responsibility of doctors and they considered that when complication happened there was no responsibility for the damage. It is typical non-lawyer logic. Every person is responsible for the damage on the principle of guilt and the guilt is determined on the fact whether rules of the profession were applied or not. Rules of profession foresee what is to be done if a complication occurs and if a doctor does not apply the rules, he/she will be responsible for the damage.

2. Taking into consideration the complexity of relationships in the society, proportions of the legal profession and the immediate association of the Republic of Croatia into the European Union, do you think that the programmes of law faculties in the Republic of Croatia are adjusted to the needs of the practice and do you consider that changes are needed in that area; if yes, what changes?

The question of the programmes of law faculties is an old question, it has been always initiated and the same questions have been always asked. There will never be a possibility to adjust faculty programs to the needs of the practice in such an extent that a graduated law student is able to work independently immediately after taking a degree. It is not possible for other professions either. It has never been different and it has never been achieved in any place that a graduate law student is ready to work in his/her profession immediately after taking a degree without any additional practice. The issue is the extent in which students will be able to be closer to the practice after graduation.

When we are talking about programmes of law faculties, we should take into consideration that every good lawyer should be well familiarised with the theory and with the practice. You cannot deal with one concept without the other. A deficiency of theoretical knowledge brings you to a side way and straying, while deficiencies in practical knowledge result in precipitate resolutions. However, the beginning is in familiarisation with the theory, and therefore law faculties are oriented to the theory of law in the first line. As a rule it is the first and probably the last time that a lawyer obtains necessary theoretical knowledge in an organised manner and he/she cannot work in practice without them. The exception is when he/she continues education at a post graduate study. You cannot say that the legal profession suffers from that, since all of us have been educated in such a manner, including leading legal practitioners. Those who are familiarised with the theory will obtain practical knowledge far quicker and easier.

But nevertheless students have to be introduced to the practice as early as during the study at the law faculty. I have been personally in the theory at one hand and in the practice at the other hand all my legal professional life. I have performed all legal jobs: I was a judge, an arbitrator, a mediator, a representative, a legal counsellor, a creator of legal constructions, a writer of contracts, a negotiating counsellor, a creator of laws, and I was also a professor. I have always tried to unite all those activities during my lectures and seminars and I have always tried to cherish the practice with students as much as possible regarding the available time. Today law faculties have legal

clinics where students are included into practical work, they are sent to courts, to attorneys-at-law offices and similar to be introduced to the practice. The law is in a huge expansion and the contents of educational programs that are to be adjusted to the needs of practice as well. Therefore I believe that every teacher of law should introduce cases from the legal and other practices in his/her books and study them with students during the lectures and seminars and talk about his/her experience obtained in practice. A teacher of the positive law cannot be a good teacher if he/she cannot show practically the subject he/she is talking about. That would be a situation as when a football coach talks about the manner in which players should perform a shoot, but he could not show it visually and practically.

3. What is the position of in-house lawyers in the European Union Member Countries and is there any hint that the European Union is going to prescribe the professional status of the corporate lawyers for its member states?

The first question is who is to be considered an in-house lawyer? Our Union starts from the fact and applies it that corporate lawyers are all the lawyers who deal with the law in the economy, meaning that corporate lawyers are not only those employed by legal entities in the economy, but also those employed in the legislation, that is commercial court judges, attorneys-at-law dealing with the law regulating business operations in the economy etc. If professionals of a certain professions associate together and they do it to improve professionally, all those who are dealing with the law that regulates some operations from various aspects should be included as well. Interdisciplinary represents the utmost necessity today and any segmentation that would not accept it would be disastrous. Things have to be considered on the interdisciplinary basis only and that can be best seen in the selection of topics and speakers at gatherings organised by the Croatian Union of Associations of Lawyers in the Economy. Therefore lawyers employed in trade companies for example make only a part of lawyers in the economy. Earlier some 60 % of lawyers in Croatia were employed by legal entities in the economy. It is not the case today.

In other countries other titles are used and lawyers associate on different bases. I have not faced the title lawyers in the economy, but there is a special name for lawyers employed by trading companies. In individual member states they associate into associations and unions united at the international level as well. I have no data about activities performed in the European Union prescribing the professional status of lawyers in the economy for the state members.

4. How do you estimate the role and the efficiency of work of lawyers in practice, in the first line corporate lawyers, under the contemporary conditions of changes of laws that have been modernised at one hand, and becomes a not-harmonised legal system at the other hand?

When the Republic of Croatia enters the full membership of the European Union, the legal profession will face the largest changes. We have to think about that during six years of harmonisation of our legal system with the European Union legal legacy law. We have introduced about 110,000 pages of the *acquis communautaire* and 80 % of the law directly or indirectly under the influence of so-called European law. That legal legacy has been increasing by a pace of over 3,000 pages per year during negotiations. It is the largest reform of the law ever introduced to this territory. That means huge changes of the profession.

The speed at which changes were applied resulted in modernised rules and regulations in a legal system that is not consistent, neither laid out well. It is not easy to consult such a system and changes will be a constant as it seems now, required by hyper-production of so called secondary sources of the European law. Lawyers will have hard times. Our courts will apply European law directly. Doing so lawyers will not be able to perform legal counselling based on the domestic legal sources only, but they will have to take into consideration the huge practice of the European Court. It can mean that a domestic rule is not applied anymore because it is contrary to a view of the European Court. Besides, during business negotiations domestic lawyers will meet foreign colleagues who are familiarised with the practice of the European Court and European legal sources at domestic courts. We have also to add a significant breakthrough of the practice from Anglo-Saxon countries based on their laws with contractual construction that are strange for lawyers educated on the Central European legal traditions. That is a general trend that cannot be

avoided. I wrote about all those issues and especially on the position of lawyers in great details in my paper mentioned above and I refer to it.

5. What do you think about the presence of corporate lawyers in the field of arbitration in the role of representatives, proxies of parties and as arbitrators and what are their benefits in that field?

I have high opinion about that. But, it is not an easy task. Our colleagues employed by trading companies and economic institutions have to know the rules of procedures very well, because if they are arbitrators they make decisions indeed, and when they represent their position, it is as if they represented a party in front of the court. Their knowledge and skills from the economy can be only a great help in such a situation and give them an advantage in the first line in cases from the areas dealt with by their employers. Familiarisation with the techniques of business operation is of great importance for understanding of individual cases.

6. How do you see current and potential relationships among the Ministry of Law of the Republic of Croatia, the Legal Academy and corporate lawyers?

I cannot say that there are no relationships among them. The Croatian Union of Associations of Lawyers in Economy has had more proposals without success. Regarding those relationships it is important to enable corporate lawyers to fulfil preconditions for sitting for the bar exam that are to be prescribed in such a manner to enable sitting for the bar exam and preparing for the bar exam for every corporate lawyer.

7. Do you consider necessary for in-house lawyers to associate professionally and if yes in which way?

It is natural that they have to associate and they are doing so. Today's 50 anniversary of the Croatian Union of Association of Lawyers in Economy shows that they have been professionally associated already a half of a century. There is also the Association of Corporate Lawyers. The Union and its associations have been constantly active on introduction of novelties of law to their members since their establishment by the present moment. I cannot count the number or legal reforms we have faced during the stated time period or how many times the Union has been at hand to in-house lawyers to introduce reforms to them, how many imprudent moves of the government and various interested groups the Union has prevented... All interested parties gather at associations and the Union unites interested associations and it is going to continue it in the future. Fifty years of professional association of lawyers is only one and very important time period. The Union will continue with its activities. But, its permanent and continuous activities are based in associations united in the Union.

8. Since you have recently celebrated the 50th anniversary of the Croatian Union of Associations of Lawyers in Economy, how do you see employment of corporate lawyers in the future and for which type of legal activities?

If you think on corporate lawyers in the sense our Union consider them, it is worth saying that they will be still employed for activities as they are being employed now, i.e. they will continue to work as commercial court judges, perform attorney-at-law activities bound to economy and similar. The major change has happened for lawyers employed by trading companies. Since the ex-federal state ceased to exist, their number has been drastically decreased. Only large trading companies employ lawyers and it will be the same in the future. It is far cheaper to engage attorneys-at-law for others whether they need them for legal suits or entering into more complex business constructions, in the first line if they make an agreement that they will pay legal representation only if they are successful in the suit in accordance with the attorney-at-law tariffs – the costs that will be collected from the opponent party. The proposal of the Union that the Court shall decide that the cost of litigation should be paid also when the party is represented by a lawyer employed by that party unfortunately has not been accepted. Engagement of attorneys-at-law at a lump sum price for general legal counselling regarding inner issues of a trading company (e.g. employment relationships and similar) should not be neglected. The current situation on the market results in every day lower lump sum prices.

Therefore I am not an optimist regarding the possibility of any increased employment of lawyers in trading companies to perform legal activities only. They could be employed at some other positions, for example to manage general and human affairs, commercial activities, for performing of other activities for which they are educated and skilled thanks to a wide legal education. Golden years of employment of lawyers to perform legal counselling in legal entities in the economy is unfortunately behind us with the exception of large trading companies that are present in Croatia in a low number compared to other trading companies. But those companies will also employ only one graduated lawyer with the exception of the largest ones. It is also to expect that the current crisis will worsen the situation if it continues the current situation.

4. Round table: Croatian Legal System

The Scientific Commission for the State Administration, Legislation and the Rule of the Law of the Croatian Academy of Sciences and Arts, active in the field of scientific processing of actual social themes in Croatia, organised a round table cooperating with the Faculty of Law of the University of Zagreb having the topic – Croatian Legal System. The round table was held in the large hall of the Academy Palace on 14th June, 2012. The main motive for such a round table was a need to discuss the situation faced by the Croatian legal system at the moment and to determine measures to be undertaken to achieve a satisfactory conditions. Following discussions were organised on the basis of introductory letters: Legislation – prepared by academician Jakša Barbić; Administration of Justice prepared by prof. dr. sc. Mihajlo Dika; Public Administration – prepared by doc. dr. sc. Anamarija Musa; and Local and Regional Self Administration prepared by prof. dr. sc. Ivan Koprić.

Academician Jakša Barbić pointed out that the main characteristic of the actual legal system in Croatia was transition from one legal system to another and the target system did not have characteristics of a system yet and it was dangerous. It also had to be emphasised that the first phase of the transition from one legal system to another was performed during the war, and the second phase was happening during Europeanisation of the law characterised by a short time and extensiveness of implementation. The consistency of the legal system was lost during the second phase of the transition. To achieve a satisfactory legal system in the function of the society, academician Jakša Barbić recommended the following measures: arrangement of legal vocabulary, arrangement of the legal system according to legal fields and areas, a principle that one guideline was accepted only by one national law, editing of final law wordings by the Legislative Commission of the Croatian Parliament and its working groups and the need that one representative of each working group who would participate in all phases and activities up to and including passing the law.

Prof PhD Mihajlo Dika pointed out that Courts should be competent because they had a large power and that we could perceive them at the organisational and competent level, functional level and human resource level. He supported specialisation of courts and proposed introduction of basic courts for the area of two or three counties and four civil appeal courts.

Doc PhD Anamarija Musa supports strengthening of leadership central coordination and strategic approach, better regulation, proceedings and control, transparency and openness, professionalism, ethics and depolitisation of the public administration.

Prof PhD Ivan Koprić supported polycentric Croatia regarding local and regional self-administration.

Among other speakers the following ones participated in the discussion: PhD Mladen Žuvela supporting the civil law because he considered that in such a case we would resolve a major part of not harmonised legal norms within the legal system; Prof PhD Stjepan Ivanišević supporting decentralisation of administration, because a centralised administration was appropriate for large countries and for small states it represented a more dangerous manner of administration compared to the decentralised administration.

Academician Jakša Barbić concluded that a special attention should be paid to affirmative social values on which the legal system was based as well as to the protection of law.

5. Physical planning, construction and legalisation

On 24th May, 2012, Novi Informator Ltd. organised a seminar having the topic of physical planning, construction and legalisation.

Anka Mrak – Taritaš, deputy Minister of Construction and Physical Planning talked about the analysis of the situation in the space and normative arrangement as a basic act for compilation of new rules and regulations on physical planning and construction. She announced a large project of the Ministry in her presentation. It is a special digitalisation - web site where you could enter an address or a number of a cadastral plot and get data on the plot, orthographical photo shots and data on planning for the concrete plot regarding the physical plans. She also announced a new regulation and a new return to two laws that would arrange that area (the Law on Construction and the Law on Physical Planning). Josip Bienenfeld, head of the Legislation Sector in the Ministry of Physical Planning and Construction talked about draft amendments of the Law on Proceedings with Illegally Constructed Buildings. As a summary, the novelties consisted in the first line in an increased number of buildings that could be legalised, simplification and decrease of costs of the procedure for reaching of resolutions on the as-built condition, simplification of calculations for legalisation fees and taxes and filling of certain legal gaps and detail arrangement of individual questions.

Nives Radišić, the president of the Land Registry Sector of the Municipal Civil Court of Zagreb, talked about consequences of application of current regulations in procedures of establishment of land registry volumes and on expected changes, pointing out the importance of the correct procedure and announced immediate changes of the Law on Land Registries bound to that.

Božo Gagro, a retired judge, talked about court practices regarding application of the Law on Physical Planning and Construction. The Administrative Court had the point of view that executive regulations valid at the moment of initiation of administrative proceedings should be applied to those administrative proceedings, although long time administrative court practice applied regulations valid at the moment of resolving of an administrative issue in various administrative fields. The Administrative Court continued to keep its point of view, although the point of view of the Supreme Court and the Constitutional Court was opposite. The Supreme Court and the Constitutional Court kept their point of view that regulations valid at the moment of resolving of an administrative issue were to be applied to administrative proceedings. In their legal understandings they pointed out that it was not an established right of a party that was challenged with a new executive regulation, because submitting an application for passing of certain administrative act the applying party did not acquired the right, neither an obligation for the administrative body was established to issue it the act and the administrative issue should be resolved applying executive regulations valid at the moment of resolution. Although the Supreme Court and the Administrative Court had the same legal understanding, it did not influence the change of the legal understanding of the Supreme Court. The question of the unique application of the law and the equality of all the persons in its application arouse.

6. Lecture Entry into the Land Registry, specific cases and actualities

The Association organised a lecture with the topic: Entry into the Land Registry, Specific Cases and Actualities with a special view to difficulties faced by trading companies and with an emphasis on the Law on Physical Planning and Construction and the Law on Procedure with Illegally Constructed Buildings and linking of the Land Registry and the Registry of Submitted Contracts. Ms Nives Radišić, the president of the Land Registry Department of the Municipal Civil Law of Zagreb held the lecture in the building of the Croatian Chamber of Economy on 29th June, 2012. 23 corporate lawyers employed in trading companies were present at the lecture.

In her presentation, Ms Nives Radišić talked about the Law on Physical Planning and Construction of October, 2007 and its amendments of August, 2011. She also pointed out negative aspects of negative and positive notes in the first line regarding stipulations of Articles 2 and 22 of the Law on Procedure with Illegally Constructed Buildings emphasising that the positive note was endangered by registration of the tenant ownership plan that made the positive note into negative, pointing out simultaneously that all of the stated should be considered under the current conditions and those were that 31.000 resolutions on demolishing of illegally constructed buildings had been adopted in the Republic of Croatia.

In the same manner, Ms Nives Radišić drew attention to technical aspects of the operation of the Land Registry Department. For example every day about 350 proposals for entry into the Land Registry were submitted to the Municipal Civil Court of Zagreb. Those days those were in the first line proposals bound to enforcement. She emphasised that the institute of notice of the priority of

order was not used at a sufficient extent in the practice. The same happened with the application sheet for buildings that had not been registered into the Land Registry. The application sheet determined the change of the built up area (and it could be used for buildings constructed before 1968).

7. Student practical work

Within the time period from 14th May to 1st June, 2012 students from the Faculty of Law of the University of Zagreb performed their student practical work in the company KONČAR – ELECTRIC INDUSTRY Inc. within the frames of cooperation between the Faculty of Law and the Association of Corporate Lawyers.



Anja Belić from Zagreb, a fourth year student and Irena Jurec from Virovitica, a fifth year student, were working there. During three weeks of their student practical work they were introduced to the operation of the Company Legal Department and all legal fields with which our colleagues, lawyers, were dealing in the company. They were also resolving some exact legal tasks. At the end of their student practical works they answered the following questions:

1. *Which choice is offered to every law student for performance of his/her student practical work and where did you see your motif when you selected a trading company to perform your student practical work?*

Anja Belić: I think that students have an opportunity to be introduced to practical tasks and concrete projects in such an extent that is offered by the real situation and to the extent possible considering our knowledge obtained during the study. The student practical work should be organised in a manner understandable for the student and it should be developed from the smallest to the largest segments of every day work. The fact is that the student practical work offered by the Faculty of Law is self-initiative, but every student who is interested for such kind of obtaining of skills and experience can have a high quality practice organised by the Law Faculty of the University of Zagreb cooperating with associations such as the Association of Corporate Lawyers, the Croatian Chamber of Attorneys-at-law, etc. that expressed a good will to receive students who have to show their own willingness and efforts.

My motif to select a trading company was my interest for law branches such as law of trading companies and commercial status law and civil law in general. There was also a fact that during some seminars and practical courses I already had the opportunity to attend observation classes at the Municipal Civil Court and in a way I already obtained an (even a small) insight into that segment of legal profession.

Irena Jurec: Students of the Law Faculty can perform the student practical works in public notary offices and attorneys-at-law offices, depending on their own preferences. There is also an opportunity to perform your practical work in a company if the company is willing to receive students in cooperation with the Faculty of Law from Zagreb.

I selected a trading company to perform my student practical work because I have not had any opportunity to obtain an insight into practical challenges of those law branches dealt especially with by in-house lawyers.

2. *How did you imagine the work of a lawyer in a trading company before performance of your student practical work and how do you see it now after it? What do you think should be changed or supplemented regarding your student practical work?*

Anja Belić: My image of the work of in-house lawyers has not changed a lot because I always had the impression that lawyers (wherever they work, in trading companies, attorney-at-law offices, courts, etc.) work a lot and that they have complex tasks. During my student practical work in the trading company it has proved to be true.

I think that there is no need for changes of student practical work I performed, because all tasks I have faced were instructive and interesting, we have passed through all legal profession branches and different kind of problems and actual issues, we have been introduced to business activities of the company and we have had an opportunity to see various manners of manufacture.

I would also like to point out that all employees in the company, as well as our mentor, have been very friendly and helpful and ready to help us any time. That was also a reason why our student practical work in this trading company has been even of a higher quality, because, after all, a high quality and human relationships represent the basis of every successfully completed working task.



Irena Jurec: I have chosen that student practical work just because I did not have any perception about the work of the lawyer in a trading company. Now, when I have finished it I am conscious about the wide spectrum of activities performed every day by corporate lawyers and I understand that it is necessary to obtain knowledge and experience in all legal profession branches to be able to perform those activities in a high quality manner in the trading company.

3. Where do you see yourself after graduation?

Anja Belić: The majority of students think they have a vision and that they know what they would like to do in their lives as early as during the first year of the study. I was not an exception, but I have been introduced into various legal fields during the study and I have concluded that to be a lawyer does not mean exclusively to be a judge or an attorney-at-law, but that the diploma of the Law Faculty gives us a wide spectrum of possibilities. So, we have an opportunity to be corporate lawyers, judges, attorneys-at-law, public notaries, to stay in science as professors, politicians, diplomats, journalists, even economists or entrepreneurs.

After a lot of thinking I am not completely sure yet, but I think that any place is good to begin at because any opportunity to obtain knowledge is going to be a treasure in the future.

Irena Jurec: After graduation I see myself very busy to find out where I see myself exactly.

WHAT ARE WE PREPARING FOR SEPTEMBER AND OCTOBER

**We wish you a pleasant summer and nice holydays,
And the next number of your and our Newsletter
Will be published at the end of October.**

In Zagreb, June 2012

Association of Corporate Lawyers

www.udruga-korporativnih-pravnika.hr