

The Board of Directors of the Privatization Agency of Kosovo (PAK),

Pursuant to Articles 1, 2, 5, 6, 8, 9, 15.2.1 and 15.2.12 of the PAK Law,

In support of the Agency's Operational Policies,

Adopts:

REGULATION No. 09/2025 ON

GENERAL RULES OF PUBLIC AUCTION

30 July 2025

Table of Contents

[Article 1 Purpose 1](#_Toc188601576)

[Article 2 Definitions 1](#_Toc188601577)

[Article 3 Legal validity and interpretation of the Rules of Tender](#_Toc188601578) 6

[Article 4 General aspects of the sales process 6](#_Toc188601579)

[Article 5 Bidders under bidding prohibition](#_Toc188601580) 8

[Article 6 Due diligence and receipt of tender documents 8](#_Toc188601581)

[Article 7 Bid submission fee and bid deposit 9](#_Toc188601582)1

[Article 8 Submission or expression of bids through the oral bidding procedure….....................................10](#_Toc188601583)

[Article 9 Orientating price 13](#_Toc188601585)

[Article 10 Verification procedures 13](#_Toc188601586)

[Article 11 Announcement of the provisional winner and payment of the purchase price 14](#_Toc188601587)

[Article 12 Approval/rejection of bids for new tendered assets/entities 17](#_Toc188601590)

[Article 13 Sales contract 18](#_Toc188601591)

[Article 14 Reservation of rights by the Agency 19](#_Toc188601592)

[Article 15 Transitional provisions 21](#_Toc188601593)

[Article 16 Entry into force 21](#_Toc188601594)

[APPENDIX A “TENDER SCHEDULE” 19](#_Toc188601595)

[APPENDIX B BID SUBMISSION FORM – PRICE STATEMENT *-* 20](#_Toc188601596)

Article 1

Purpose

These rules set out the procedures for the sale of assets by public auction through liquidation, including the terms and criteria for participation in the auction, the terms and criteria for the classification and selection of bids by the Agency, as well as the terms and criteria for the conclusion of sales contracts with the winning provisional bidders.

Article 2

Definitions

The following definitions shall apply to these tender rules except where the context otherwise requires:

1. "**Agency**" means the Privatization Agency of Kosovo (hereinafter "Agency") which exercises its mandate in accordance with Law Nr.04/L-034[[1]](#footnote-2), with additions, on the Privatization Agency of Kosovo ("Law").
2. "**Assets for sale in public auction**" means the movable and/or immovable assets of SOE, the details of which are given in the information memorandum, which are sold in accordance with these rules.
3. "**Board**" means the Board of Directors of the Agency.
4. **"Bid price**" means the amount of the bid declared verbally/orally and confirmed through the statement for the confirmation and acceptance of the bid, presented in euro (€), by the bidder for the purchase of the asset.
5. **"Initial price"** means the value of the minimum price determined by the PAK Board of Directors which will be published on the occasion of the public announcement of the sale under Article 9 of this Regulation.
6. **"Date of receipt of the notification"** means the date of the action taken by the designated staff of the Agency, in order to notify/contact the party by letter, telephone, fax or e-mail**.**
7. **"Tender deposit**" means the financial amount or 10% of the value of the initial price set by the Agency, on an individual basis for each item or asset put up for public auction, which is deposited by the bidders in accordance with Article 7.2 of the Generic Rules of Tender.
8. "**Working day**" means the days on which the public institutions of the Republic of Kosovo work, except Saturdays and Sundays, as well as the days which by the law in force are designated as official holidays.
9. **"Public Auction Documents"** means: (1) Notice of Public Auction; (2) Memorandum of Information (as described below in this Article); (3) General Rules of Public Auction; (4) Electronic file and other documents which the Agency may deem necessary.
10. "**Electronic File**" means the electronic file established by the Agency where some information and documents related to SOE or the asset tendered to be inspected by the bidders are made available.
11. **"Special Chamber"** means the Special Chamber of the Supreme Court of Kosovo established in accordance with UNMIK Regulation, "on the establishment of the Special Chamber of the Supreme Court for Kosovo Trust Agency Related Matters", replaced by the Law in force on the Special Chamber of the Supreme Court of Kosovo, on the Privatization Agency of Kosovo related matters.
12. "**Declaration on Confirmation and Acceptance of Bid**" means the document, which has the form set out in Appendix B, which is signed by the three highest ranked bidders, according to the bids declared to the Public Auction Committee, in accordance with Article 8.4.2 of this Regulation.
13. **"Committees"** means the committees established under this Regulation. The members of the committee are appointed by the management of the Agency. The duties of these committees shall be determined by a decision on appointment in accordance with the provisions of this Regulation. The committee will consist of at least three members. Committee members may not serve on more than one committee. The members of the committees will sign a declaration on maintaining confidentiality according to the PAK law and other legal provisions.
14. **"Public Auction Committee"** means the committee established by the Management of the Agency, whose authorizations are defined by Articles 8.2, 8.3 and 8.4 of this Regulation.
15. "**Committee for the registration of bidders"** means the committee established by the Management of the Agency, whose authorizations are defined by Article 8.1 of this Regulation.
16. **"Evaluation Committee"** means a committee appointed by the Agency's Management to review documents submitted by the highest bidder whose authorizations are set out in Article 10 of this Regulation.
17. **"Claims Review Committee"** means a commission appointed by the Management of the Agency to review claims against decisions set out in Article 8 of the Rules of Tender. The composition of this Committee will consist of the middle management level of the Agency (Directors of the relevant Departments).
18. **"Sales contract**" means the contract concluded between the provisional winning bidder and the Agency (where the Agency acts on behalf of SOE) under which the tendered asset is sold to the provisional winning bidder.
19. **“Bidders’ Registry**” means the register of bidders which is drawn up and maintained by the Committee for the registration of bidders.
20. **"Applicable law"** means laws and sub-legal acts adopted in accordance with the Constitution and the legislation in force.
21. "**Information Memorandum**" means the document prepared by the Agency which contains various information on the asset tendered, including: A description of the asset for sale at public auction; as well as other information considered important, by the staff of the Agency. The Memorandum of Information is only informational in nature and as such does not constitute an offer.
22. **"Management"** means the Executive Director and the two Deputy Executive Directors of the Agency, collectively and individually.
23. **"Enterprise"** means the enterprise as defined by Article 5 of the Law on the Agency, over which the Agency exercises its administrative authority.
24. **"Public auction notice"** means the notice published by the Agency through which the auction is announced and where the specific details of the public auction are provided.
25. **"Payment notice"** means the notification by the Agency to the provisional winning bidder for the payment of the offered price.
26. **"SOE"** means the Socially Owned Enterprise.
27. **"Bid"** means the expression of the will of a person or entity, which is submitted to the Agency (to which are attached the evidence as defined in Article 8.4.2. of the Public Auction Rules, including but not limited to the highest bid price, which is presented according to the oral bidding procedure according to the criteria set out in Article 8 of this Regulation, the purpose of which is to participate in a public auction for the purchase of the asset.
28. **"Bid with the highest price"** means the bid offering the highest price for the purchase of the asset offered orally or the last bid repeated three times in a row by the Chairman of the Public Auction Committee, confirmed by the statement for the acceptance of the bid.
29. **"Bidder"** means any natural or legal person, company or corporation that is registered as a bidder with the relevant Committee.
30. **"Provisional winning bidder"** means any of the highest bidders, the second highest bidder, the third highest bidder, whom the Agency notifies in writing that it has been declared as a provisional bidder.
31. **"Highest bidder"** means thebidder who, in the process of selling the asset by public auction, submits the bid at the highest price confirmed by the declaration to accept the bid.
32. **"Second highest bidder"** means the bidder who in the process of sale of the asset by public auction ranks second in terms of the price offered, for the purchase of the asset confirmed through the declaration for acceptance of the bid.
33. **"Third highest bidder"** means the bidder who in the process of sale of the asset by public auction ranks third in terms of the price offered, for the purchase of the asset confirmed through the declaration for acceptance of the bid.
34. **"Bidder under prohibition"** means any natural or legal person, company or corporation, as defined in Article 5 of this Regulation, which is disqualified from bidding in accordance with Article 10 of this Regulation and consequently prohibited by the Agency from signing the sales contract.
35. **"Payment"** means the amount equal to the total price of the highest bid **MINUS** the bid deposit.
36. **"Public Auction Schedule"** means the document setting important deadlines and dates regarding the auction process (which is attached to the Public Auction Rules, as Appendix A).
37. **"Asset"** means asset, interests or property, as defined by Article 5 of the Law on the Agency, over which the Agency exercises its administrative authority.
38. **"Auction period"** means the date and time interval set by the Agency, according to the time of Kosovo, during which bids must be submitted or expressed in the place designated by the Agency, the details of which are presented in the public auction notice.
39. **"Person"** means any natural person, legal person, company or corporation.
40. **"Agency staff"** means the professional and technical staff of the Agency as defined in the Law on the Agency.
41. **"Controlling person"** means any natural or legal person under the orders, instructions and control through which any legal person or entity acts, regardless of whether the controlling person holds the position of executive director, chief executive officer, director of finance, chairman of the board of directors, any large shareholder, or any other position through which may exercise control over the enterprise and its staff.
42. **"Representative"** means any person who is legally authorized to act on behalf of the bidder during the public auction, including the signing of the Asset Sales Contract and any other relevant documents.
43. **"Public Auction Rules"** means these General Auction Rules.
44. **"Bid Submission Fee"** means the non-refundable fee, except as set out in this Regulation, for the submission of a bid in the amount of €200 (two hundred euros) paid to the Agency by the bidder in accordance with Article 7.1 of this Regulation.
45. **"Public Auction"** means the entirety of the procedure whereby the Agency announces for sale a certain asset, organizes the bidding process, identifies the bid with the highest price and completes the sale of the asset to the announced provisional bidder.
46. **"Verification of the highest bidder"** means the verification of information/documents made by the Agency, which is intended to ascertain that the highest bidder is not a prohibited bidder under Article 10 of this Regulation.
47. **"Assigned Account"** means thebank account designated by the Agency to accept the purchase price from the provisional winning bidder, the details of which will be provided to the provisional winning bidder.

Article 3

Legal validity and interpretation of the Public Auction Rules

1. The Public Auction Rules are binding to apply to both the Agency and any person participating in or involved in the procedure for the sale of assets through public auction. To be valid, any bids submitted during the auction must comply fully with these Rules. By participating in the auction process, whether by registering as a bidder, participating in the hearing or by submitting a bid, the participant shall be deemed to accept and be subject to all terms and procedures set forth in the Public Auction Rules.
2. The Public Auction Rules are interpreted in accordance with the spirit of the Law on Privatization Agency of Kosovo and other sub-legal acts. In the event of any inconsistency between these Rules and the Law on the Agency or other internal Acts, priority shall be given to the provisions of the Law and other sub-legal Acts issued pursuant to this Law.
3. Any term referring to the masculine gender is considered to include the feminine gender, and any term referring to the neuter gender includes both the masculine and the feminine.
4. Each term in the singular number includes the plural and vice versa, unless the meaning of the sentence precludes such an interpretation.
5. The titles and subheadings in these Rules are for ease of reference and do not affect the meaning or legal interpretation of the provisions.

Article 4

General aspects of the sales process

1. **General overview of the role of the Agency:** The Privatization Agency of Kosovo (“the Agency”) is an independent public body of the Republic of Kosovo, which exercises its functions and responsibilities with full autonomy, in accordance with the Law on the Agency, as well as with other legal and sub-legal acts in force in the Republic of Kosovo.

Within its legal mandate, the Agency is responsible for the administration, sale, transfer and/or liquidation of socially owned enterprises and assets, including the organization and implementation of procedures for the sale of assets through other alternative methods including public auction.

The Agency has full legal capacity, including the right to be a plaintiff or a defendant in judicial or administrative proceedings related to the exercise of its powers in the framework of this process.

1. The structure of the sale and the presentation of the bid in the public auction
   1. The Agency on behalf of the Socially Owned Enterprise (SOE) shall organize the sale of one or more assets through public auction. The assets to be the subject of the auction shall be listed and described in the relevant auction documentation, including the basic data for each asset and the requirements for participation.
   2. The sale will take place in a single public auction session, at which the participants will offer their prices, according to the procedure previously announced by the Agency. The auction will be organized with direct bids expressed verbally/orally, as stipulated in the respective announcement.
   3. To be valid, any bid submitted during the auction must comply with these Public Auction Rules. By participating in the auction, the participant is deemed to accept all the requirements set out in these Rules, including the manner of holding the session and the criterion for announcing the winning bidder.
   4. Each bidder, when registering or submitting a bid, must specify exactly which asset is competing for and clearly state the price offered. The highest price offered in accordance with these Rules and accepted by the Auction Committee shall be deemed as the winning price.
2. **The sale is made according to the bid or bids with the highest winning price, the second price and/or the third price:** The Agency will sell the asset by public auction at the price of the highest bid. The highest bidder will have the right to buy the asset at the highest bid price. If for any reason the sale does not proceed with the highest bidder, then the bidder with the bid listed as the second highest bid, subject to these public auction rules, shall be offered to buy the asset at his price as the second highest price. If for any reason the sale does not proceed with the second highest bidder then the bidder with the bid ranked as the third highest bidder, subject to these public auction rules shall be offered to buy the asset at his price as the third highest price.
3. **Public Auction Schedule:** The Agency shall prepare and publish the public auction schedule (which is attached to the Public Auction Rules, as Appendix A). Bidders should consult the public auction schedule, be informed about the deadlines and dates set by it and adhere to them during the public auction process.

Article 5

Bidders under bidding prohibition

1. For the purposes of this public auction, the following bidders shall be under prohibition:
   1. Publicly and Socially Owned Enterprises;
   2. Government and governmental institutions of the Republic of Kosovo, independent public agencies and institutions;
   3. Government, government institutions, agencies and other public institutions of any other state or country;
   4. Natural persons, legal persons or companies as well as controlling persons and managers of legal persons or companies who are sentenced to imprisonment for a period of one year or more for criminal offenses against the economy, constitutional order, offenses related to organized crime and all those criminal offenses that include elements of fraud, provided by the Criminal Code. Those who have served their sentence are not under bidding prohibition;
   5. Natural or legal persons who have usurped the socially owned immovable property against which the Agency or SOE has initiated a court proceedings for the release of the property and/or the compensation of eventual damages, with the exception of parties who have signed a lease contract with the Agency or parties who do not have a lease contract, but these parties have paid the compensation of all obligations for the use of the SOE property;
   6. Natural and legal persons who: (i) have not complied with the terms of any contract concluded with the Agency or with any undertaking administered by the Agency (the existence and nature of such non-compliance shall be determined by the Agency at its discretion), (ii) owe or outstanding fine to the Agency or any undertaking administered by the Agency, (iii) who have not paid the fines imposed by the Agency or who are subject to any claim or dispute (regardless of whether such matter has been raised in court or elsewhere). Exceptionally, the parties who pay the debt to the Agency or SOEs before the signing of the sale -purchase agreement are not considered bidders under prohibition;
      1. natural and legal persons who in the reasonable and substantiated opinion of the Agency: have been involved in any collusion or in any other illegal or irregular activity, and consequently the Agency has cancelled any liquidation tenders;
      2. in any other way violated the rules of tender for any privatization or liquidation tender organized by the Agency; or
      3. have withdrawn from their position as provisional winning bidder in any liquidation tender two (2) times after failure to deposit the amount of the price of their winning bid within the period required by the Agency after the sale of LAS 55 or through their refusal to sign the sales documents during any privatization tender organized by the Agency;
   7. Legal entities, where the beneficiary owners or their controlling persons belong to the categories referred to in this Article;
   8. Legal entities where the owners, beneficiary persons or controlling persons thereof have been or are owners, beneficiary persons or controlling persons of any other legal entity belonging to any of the categories specified in this Article.

2. Any bid submitted by a bidder under prohibition shall be disqualified, irrespective of whether such bid is in full compliance with the terms and conditions set out in the Public Auction Rules.

Article 6

Due diligence and receipt of public auction documents

1. It is the responsibility of each potential bidder to carry out due diligence into the asset for sale, in order to gather the necessary information.
2. In announcing a public auction, potential bidders are instructed to contact within a specified time limit the office assigned to the Agency in order to obtain the relevant documents of the asset or item offered for sale at public auction, including the electronic file. Potential bidders can access the electronic file only on the days and times specified in the public auction schedule, while for the provisional winning bidders at any time until the finalization of the public auction, and even after the signing of the contract. The sales documents and the electronic file can be obtained by e-mail request at the address [sales@pak-ks.org](mailto:sales@pak-ks.org) or at any of the official addresses of PAK, as well as the PAK HQ.
3. The potential bidder shall sign the Declaration on the Protection of Business Secret contained in the public auction documents and return it to the Agency before the bidder is allowed access to the information and documentation in the electronic file or to visit the location and premises of the asset tendered for the purpose of carrying out their due diligence.
4. Acting at the requests of potential bidders, the Agency will, prior to the submission of bids, enable them to visit the location and premises of the asset for sale as published in the public auction announcements. Potential bidders should submit their requests and schedule meetings or visits only through the Agency.
5. By submitting or expressing an offer, the tenderer shall affirm and confirm at the Agency in writing that he has been given the opportunity and has been offered the conditions by the Agency to conduct due diligence and independent assessments regarding the asset for sale and all information and documents contained in the electronic file.
6. Failure to conduct due diligence and independent assessments in relation to the asset for sale by public auction as well as in relation to any and all information and documents contained in the electronic file does not relieve the potential bidder from performing his obligations under the sales contract and other relevant documents. Neither the Agency nor the SOE assumes responsibility for the assessments and conclusions drawn by any bidder, following the due diligence and independent investigations of such bidder, after his own assessment of the asset for sale, as well as after the researches and evaluation of the information and documentation presented in the electronic file.
7. Any bid which depends on further researches, other enquiries or the bid of another bidder shall be deemed to be incomplete and unacceptable on the part of the Agency.
8. As a result of the circumstances up to June 1999 in Kosovo, it is recognized and confirmed by all relevant parties that some of the information and documentation regarding the asset for sale through public auction may have been lost, destroyed or removed from the SOE location and premises and may be considered unavailable. For this reason, potential bidders are reminded that any analysis of information or documents may be incomplete and should be accompanied by an in-depth assessment of the asset for sale. Neither the Agency nor the SOE assumes responsibility or obligation in relation to any lack of information and documents that are available in relation to the asset offered for sale.
9. The Agency is not required to translate any information or documents related to the asset for sale. The potential bidder is responsible for any interpretation or translation of information and documents during the due diligence process. Persons who offer any services to potential bidders shall comply with the obligations of business secrecy set out in these public auction rules and the Agency shall require those persons to sign a Declaration on the Protection of Business Secret.

Article 7

**Bid submission fee and bid deposit**

1. To compensate for the administrative and communication costs related to the review and processing of bids by the Agency, each bidder shall pay the bid submission fee in the amount of €200 (two hundred euros). The fee for submitting the bid is paid by means of a bank transfer to the bank account designated by the Agency for that purpose and applies only to a certain entity/asset.
2. In order to ensure the goodwill of the bidders, each bidder must pay the bid deposit, the amount of which is set by the Agency at 10% of the initial price as guarantee, respectively the deposit on an individual basis for each asset offered for sale by public auction. The offer deposit is paid by means of a bank transfer to the bank account designated by the Agency for that purpose. The Agency credits the bid deposit paid by the provisional winning bidder to the total amount of the highest bid price paid to the Agency for completing the purchase of the asset at public auction.
3. The bidder must submit the proof of fee payment and the proof of bid deposit payment when registering to participate in the public auction to the relevant Committee.
4. To the bidders ranked 4 (four) according to the price offered, the Agency will attempt to return the bid deposit within 10 (ten) working days after the day of the public auction.
5. The three (3) highest bidders ranked according to the offered price, will not be refunded the deposit until the final decision for approval/refusal of sale and/or finalization of the sale contract.
6. In the event that the Agency confiscates the bid deposit from the tenderer for the reasons set out in the Public Auction Rules, it shall not return it to the bidder.
7. The bid deposit and the administrative fee are returned to the bidders in cases where the Agency withdraws an asset from the sale process through the Public Auction, prior to the bidding ceremony.

Article 8

Bidding procedure

The bidding process will be conducted according to the following steps:

1. Preliminary registration of bidders takes place before the start of the auction, from 10:00 to 12:00, where each bidder:
   1. submit the required documentation (ID, proof of fee and deposit payments, authorizations, etc.)
   2. is registered on the list of participants through the assignment of an **anonymous identification code** for the preservation of integrity.
2. The beginning of the auction and the expression of bids
   1. Only registered bidders (or their authorized representatives) are allowed to enter the hall;
   2. The auction committee briefly explains the rules for conducting the auction, including the initial bid price, the rule of repetition of the highest bid (usually three times), and the conditions for announcing the winner.
   3. Participants express their oral bids, stating only the price offered, without identifying themselves by name (only with the identification number if required).
   4. The Committee confirms each bid and duly register them in the minutes.
3. Repetition of the highest bid.
   1. Once a higher bid is given, the committee asks if there is any other higher bid.
   2. When no one offers a higher bid, the highest bidder is asked to repeat the bid three times in a row.
   3. If this is done without interference from others, he is announced a provisional winner.
4. Documentation of bids
   1. The Committee duly register in the minutes the bidders' codes (not the name), the final amount offered and the time and course of the bidding.
   2. The three highest bidders ranked according to the bid price must sign the declaration confirming and accepting their bids at the end of the bidding session.
   3. The Committee will announce the provisional winner of the public auction based on the highest bid price during the public auction.

Article 9

Initial price

1. Initial price means the estimated minimum price which will be used as the basis for approving/rejecting the sale of an asset.
2. The initial price will be published on the occasion of the public announcement of the sale in the relevant tender documents and on the official website of the Agency.

Article 10

Verification procedures

1. The Agency may at any time, including the stage of conclusion of the contract for the sale of the asset by public auction, request from the bidder the submission of additional information or evidence in accordance with this Regulation, which it considers relevant for the status of the provisional successful bidder.
2. The Public Auction Committee shall request from the review committee appointed for the asset bidding process, to simultaneously review the documents and evidence for the public auction sales, after the day of sale only for the provisional winning bidders, whose bid is equal to or higher than the initial price.
   1. The Review Committee shall ascertain whether the provisional successful bidder falls into the category of bidders under prohibition (as defined in Article 5 of this Regulation) and meets the conditions and criteria set out in this Regulation. If within a sale wave a bidder has applied for more than one asset and the same bidder has been announced the provisional winner for more than one asset, the determination as a bidder under prohibition applies to all cases.
   2. The Review Committee shall find that the provisional winning bidder falls into the category of bidders under prohibition (as defined in Article 5 of this Regulation) even in the case where the bidder has not submitted the relevant evidence despite the request of the Agency's staff for the completion of the case.
   3. The Review Committee shall review these documents and ascertain whether the successful provisional bidders are bidders under prohibition prior to submission for final approval by the Board of Directors;
3. The Agency shall treat as confidential all information provided by the bidder and shall not disclose it to third parties unless: (a) it is required by applicable law or by any order issued by a court of competent jurisdiction or (b) it is required by law enforcement agencies in Kosovo and abroad or (c) it is required by any other body authorized by law to investigate the bidder’s past or (d) if the bidder has otherwise agreed in writing.
4. An appeal against the decision determining the bidder under prohibition may be filed to the Executive Director of the Agency within five (5) days from the date of receipt of the decision. The second instance Committee, composed of three (3) members at the level of division heads, shall recommend to the Executive Director, within three (3) days, a decision regarding the appeal. The decision of the Executive Director may be challenged before the Special Chamber of the Supreme Court.

Article 11

Announcement of the provisional winner and payment of the purchase price

1. Subject to the conditions laid down in this Regulation, the tendered asset shall be sold to the highest bidder under the following conditions:
   1. The Agency within **3 (three) working days** from the day of the public auction or the expression of the oral bid notifies the bidder with the highest price offered, that his bid is ranked as the highest.
   2. The highest bidder whose bid is equal to or higher than the initial bid (natural persons, representatives or owners of legal persons, or consortia) shall submit the following documents, within the time limit stated in the notification to the Agency:
      1. certificate from the competent court that he is not a convicted person. This certificate shall not be dated before the day of tendering and shall be treated in accordance with Article 5 and Article 12 of this Regulation.
      2. the following information about the potential bidder:
         1. if the bidder is more than one natural person, a copy of the notarized document proving the organization of natural persons to participate in the tender as a bidder, together with copies of identity cards and the identity of the natural persons participating in this organization must be submitted;
         2. if the bidder is a legal entity, a copy of the certificate of registration of its business activity must be submitted, together with copies of the identity cards and the identity of the beneficiary owners and controlling persons. Proof of identity of the beneficiary owners and controlling persons is not required by the legal entities which are on the lists of internationally recognized stock exchanges, given that such lists are available; and
         3. if the bidder is a consortium consisting of natural persons, partnerships and companies, copies of the founding documents of that consortium, together with copies of the identity cards, passports and business registration data of the participants in the consortium, including data on the identity of the beneficiary owners and controlling persons of the members of the consortium;
2. Notification of the decision on the announcement of the provisional winner or the cancellation of the sale is announced after the Board approves or rejects the sale, finalizes the decisions and that the deposit is not refunded until the decision is made. Based on the Board's decision, the Agency notifies:
   1. If the sale is approved, the same is the winning provisional bidder and will pay the amount of the price offered in the designated account, or
   2. If the sale is refused, the bidder with the highest bid price shall be refunded the bid deposit in accordance with paragraph 3 of Article 7 of this Regulation.
3. After the approval of the sale price by the Board of Directors, the Agency will invite the bidder to pay the highest bid price, in the designated account, within 45 (forty-five) working days from the date of notification.
4. The provisional winner will be deprived of the right to make the purchase of the asset and the bid deposit will be confiscated by the Agency because he has failed to pay in the account set within the time limit provided for in paragraph 3 of this article.
5. Exceptionally, the bidder shall be returned the bid deposit due to the exercise of intimidation, coercion or any similar criminal act, directed against his life, personal integrity or property, or directed against any of his family members, with the intention that the tenderer withdraws from the tender, only if an indictment is filed against the person suspected of committing such criminal act or acts, by the competent authorities.
6. The funds used by the provisional winning bidder to pay the highest bid price are not paid in cash and should not originate from any jurisdiction that is on the FATF's (*Financial Action Task Force*) blacklist by other competent bodies.
7. In the event that the Agency disqualifies the provisional winning bidder (as defined in the Public Auction Rules), the Agency will contact the bidder with the second highest bid inviting him to buy the asset at its offered price or the second highest price.
8. The bidder who has submitted the second highest bid, within 3 (three) working days after receiving the letter from the Agency:
   1. notifies the Agency in writing if it wishes to proceed with the purchase of the asset offered for sale at its offered price and accepts the status of provisional winner.
9. If the bidder ranked second in the highest price does not act in accordance with paragraph 8.1 of this Article, then the Agency shall have the right to treat his non-response as a rejection of the Agency's invitation to purchase the asset and shall have his bid deposit forfeited by the Agency.
10. If the bidder who has given the second highest bid does not want to buy the asset at its price, then the Agency will continue the process by inviting the bidder who has given the third highest bid to buy the tender asset at its price.
11. The bidder who has submitted the third highest bid, within 3 (three) working days after receiving the letter from the Agency:
    1. notifies the Agency in writing if it wishes to proceed with the purchase of the asset offered for sale at its offered price and accepts the status of provisional winner.
12. If the third highest-ranked bidder does not act in accordance with paragraph 11.1 of this Article, then the Agency shall have the right not to treat his non-response as a rejection of the Agency's invitation to purchase the asset and shall have his bid deposit forfeited by the Agency.
13. The Public Auction Rules which apply to the highest bidder shall also apply to the bidders ranked as second and third for the highest price.
14. Without prejudice to the general meaning of Article 10 of this Regulation and without prejudice to any cause whatsoever to the delay or cancellation of the public auction provided for in this Regulation, in the event that the sale of the asset to the highest bidder as well as to the tenderers who have tendered the second and third highest bid is not possible under this Regulation, the Agency shall initiate procedures for the waiver of the asset.

Article 2.

Approval/rejection of bids for public auction assets

1. The Board approves the sale, if the price of the highest bid of the items offered at public auction is equal to or higher than the official price.
2. The Board rejects the bids received in the following cases:
   1. If the Agency accepts well-founded indications or well-founded suspicions of any collusion between the bidders or of any other illegal or irregular activity arising in connection with the public auction process. In case of refusal of tenders, deposits are refunded according to the procedures provided for in this Regulation.
   2. In cases when new information is presented, for which an additional analysis or clarification is required in relation to that information, the Board may choose to postpone the decision-making on that asset until the next meeting of the Board.
3. Exceptionally from Articles 12.1 and 12.2, the Board reserves the right to decide on the approval or rejection of the winning bid in the public auction for that asset, at its discretion in accordance with its mandate deriving from the Law on the Privatization Agency of Kosovo no. 04/L-034.
4. In cases where the public auction is cancelled, for reasons which make it impossible to approve or reject the bid under Articles 12.1, 12.2 and 12.3 of this Regulation, the Agency shall notify the tenderer in writing of the highest price for such cancellation. In which case,
   1. all received bid deposits and administrative fees will be returned by the Agency within 10 (ten) business days from the day of the cancellation of the public auction.
   2. exceptionally, the administrative fee will also be refunded in cases other than the above by a decision of the Board, if the cancellation of the public auction was done without the fault of the bidders.
5. The Agency shall not be liable for any costs or liabilities incurred by any tenderer or any third party.

Article 13

Sales contract

1. The Agency and the provisional winning tenderer shall make all reasonable efforts to sign the sales contract within a period of 20 (twenty) business days, from the date of full payment of the sales price.
2. The Agency of its choice may, by notifying the successful provisional bidder, extend the time limit prescribed in paragraph 1 of this Article if it believes that there is a reasonably additional need to examine any aspect of the contract of sale or due to certain other circumstances resulting in an extension. This period may be extended by a maximum of 15 (fifteen) working days.
3. The provisional winning bidder has the duty to make every effort to undertake the necessary actions to conclude the tendering process, including actions related to the conclusion of the sales contract.
4. Discussions between the Agency and the successful provisional bidder concerning the sales contract shall be avoided as far as possible and the successful provisional bidder shall not require a change in the price of the higher bid, the new entity or the asset tendered for, the terms and content of the contract or any similar action.
5. In the event that discussions between the Agency and the successful provisional bidder relating to the sales contract are not successful (in the reasonable opinion of the Agency) within the time limit set out in paragraph 1 of this Article or after any extension of such period, the Agency shall:
   1. has the right to determine the impossibility of realizing the sale of the asset offered for sale with the provisional winning bidder;
   2. The Agency shall notify the provisional winning bidder of the interruption of the discussion process and all amounts paid by the provisional winning bidder, with the exception of the bid submission fee, shall be returned to the provisional winning bidder. In the event that the Agency considers that the successful provisional bidder has not made all efforts to take the necessary actions to conclude the tender as set out in paragraph 3 of this Article, the successful provisional bidder shall have his bid deposit forfeited; and
   3. The Agency will contact the next bidder and invite him if he wants to make the purchase of the asset tendered at the price of his bid. In such cases, the provisions of Article 11 of this Regulation relating to the bidder who has submitted the second highest bid and the bidder ranked third in terms of the highest price shall apply accordingly.
6. The sales contract and any related documents shall be signed by an authorized representative of the Agency according to the Initial Charter of the Agency, and the buyer or an authorized (notarized) representative of the buyer.
7. The sales contract and other documents related to it shall be signed by the parties only after the payment of the total amount of the price announced as the provisional winning bid and the completion of payments and other possible obligations related to the public auction process.

Article 14

Reservation of rights on the part of the Agency

1. **Amendments in terms of public auction:** The Agency reserves the right to make any amendments, modifications or discontinuance of any procedure laid down in these rules for public auction, without any prior notice and without any cost or responsibility to the Agency. Amendments to these public auction rules shall be issued in writing by the Agency and made public.
2. **Rejection of the successful bidder:** If the Agency proves that the information provided by the successful provisional bidder is incorrect, it may reject a bid of the successful provisional bidder and terminate the sale procedure in relation to it. The successful bidders will also have their bid deposits forfeited. In such cases, the Agency may contact the next bidder and invite him to declare whether he wishes to carry out the purchase of the asset tendered at the price of his tender. In such cases, the provisions of the Public Auction Rules, which relate to the bidders ranked as the second and third highest price offered at public auction, shall apply accordingly.
3. The Contracting Relationship.
   1. The purpose of the Public Auction Rules is not to constitute any agreement between the Agency and the bidders. Consequently, it shall not be considered that any contract exists between the Agency and a bidder solely on account of the participation of such bidder in any aspect of the public auction. There will be no binding legal relationship between the Agency and the provisional winning bidder until the entry into force of the sales contract, so that neither the Agency nor the SOE will have any binding relationship with the provisional winning bidder. The Agency has the discretion to approve the eventual request of the Provisional Winning Bidder for the provision/placement of guards in order to secure and protect the assets offered at public auction. Such approval by the Agency shall not constitute a contractual relationship between the Agency and the Provisional Winning Bidder, and the Agency shall not be held liable for any expenses or obligations relating to this matter.
   2. The sales contract of the asset sold by public auction is considered to have entered into force at the moment of its mutual signing by the Agency and by the buyer or his authorized representative with authorization to the notary. From the moment of signing the sales contract, from both parties mentioned above, the bidder will be considered the buyer of the asset sold by public auction.
4. Language

The rules of the Public Auction are approved in the Albanian and Serbian languages.

1. Possibility of cancelling the sales contract

The Agency may cancel the signed sales contract at any time in the following cases:

* 1. If it is ascertained by the competent authorities that the funds used by the provisional winning bidder for the purchase of the asset derive directly or indirectly from the illegal activity;
  2. If it is ascertained that during the public auction process the buyer has been involved in a secret agreement; or
  3. If it is ascertained that there is a deviation or violation of the basic provisions of the Public Auction Rules.

Article 15

Transitional provisions

1. The rules of this Regulation shall apply to all public auction procedures announced after its entry into force.

Article 16

Entry into force

1. This Regulation shall enter into force on the date of its approval by the Board of Directors.

Pristina, on July 30, 2025.

Mentor Hyseni

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Chairman

Board of Directors

Privatization Agency of Kosovo

## **Appendix A**

"PUBLIC AUCTION SCHEDULE"

Summary of public auction hours

|  |  |  |  |
| --- | --- | --- | --- |
| Date | From | Until | Duration |
| Publication of public auction notice |  |  | 20 days |
| Due diligence site visits |  |  | 20 days |
| Registration of bidders | 10:00 | 12:00 | 2 hours |
| Opening a Public Auction/Receipt of oral bids and identifying the bid price | 13:00 | 16:00-17:00 | Immediately after 13:00h until the confirmation of the highest bid |
| Informing bidders about the results of the public auction |  |  | 3 working days. |
| Finalization of the Sales Contract with the Provisional Winning Bidder |  |  | 20 (twenty) business days from the date of full payment of the sale price |

APPENDIX B

DECLARATION ON CONFIRMATION AND ACCEPTANCE OF BID

**I, the undersigned, hereby** confirm that:

1. I am the bidder (or the authorized representative of the bidder) who submitted the bid in the public auction procedure with ref. no. [●], organized by the Privatization Agency of Kosovo on [●].
2. I confirm that my bid in the **amount of [€................... (amount in figures and words)]** is **the highest/second highest/third highest bid, orally declared and accepted by the** Public Auction Committee.
3. I agree to comply with all terms and conditions set out in the Regulation on General Rules of Public Auction Rules and announcement relevant documentation.
4. I undertake that, within the time limit set by the Agency:
   * submit the additional documents required to complete the procedure.
   * to make the full payment of the bid price, if/when requested;
   * to sign the relevant contract, if/when required;
5. I understand and accept that non-compliance with the above requirements may result in **the revocation of the status as provisional winner** and the loss of the bid deposit, in accordance with the provisions of the applicable regulation.

**Bidder Data:**  
First and Last Name/Name of Enterprise: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Code/Identification Number of Bidder: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Personal number/Unique Business No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of bidder/authorized representative:

(Name and signature)

1. Law No. 04/L-034 entered into force on 21.09.2011, promulgated in the Official Gazette 19/2011, has repealed the Law no. 03/L-067. [↑](#footnote-ref-2)