

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 Law on PAK,

Adopts:

PROCEDURE FOR THE SALE OF UNSOLD ASSETS AFTER FOUR ROUNDS OF PUBLIC TENDERING THROUGH PUBLIC AUCTION

30 July 2025

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List of abbreviations

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| PAK or the Agency. | Privatization Agency of Kosovo |
| BoD | Board of Directors  |
| SCSC | Special Chamber of the Supreme Court of the Republic of Kosovo |
| ED | Executive Director |
| SOE | Socially Owned Enterprise  |
| DARD | Department of Asset Realization and Distribution |
| DRCO | Department of Regional Coordination and Operative. |
| IM | Information Memorandum  |
| EF | Electronic file |

Article 1

Purpose

1. This act aims to regulate the procedures for the sale of assets of Socially Owned Enterprises through public auction that have not been sold after four (4) attempts by public tender according to the legal authorizations of the Agency, from the beginning of the sale process until its conclusion and includes assets in liquidation procedure.

Article 2

Assets for sale by public auction

1. In cases where an asset in the process of liquidation has not been sold after four (4) consecutive attempts through public tendering in accordance with Article 3.7 of the Public Tender Procedures which entered into force on 30 June 2025, the Agency shall proceed with the alternative sale of the asset through public auction respecting the principles of transparency, equal treatment and proportionality. Assets can be sold through the bid with envelopes or by verbal/oral bid.
2. The Department of Asset Realization and Distribution (DARD) maintains the list of retendered assets. From the list of retendered assets, selects and creates the list of assets tendered 4 times in a row, from June 30, 2025.
3. Verification of data in EF (property documents, orthophotos, etc.) as well as verification of the actual state of assets in the field is done by DRCO – the respective Regional Divisions, respectively the case officer and the Cadastral Officer.
4. The auction process takes place in a single session.

Article 3

Determining the Initial Price in the Public Auction after the Failure of the Public Tendering

1. The initial public auction price shall be twenty percent (20%) of the value of the minimum price determined by the PAK Board of Directors (the value of the initial tender according to the exploitation potential approved by BoD). The initial price at the public auction must not be higher than the minimum price set in the fourth tender.
2. The Department of Asset Realization and Distribution (DARD) will compile the list of assets according to the criteria set out in paragraphs 2.1 and 3.1 of these procedures, which document submits to the Management and DRCO.
3. The Committee composed of the Management, the Director of the DARD and the Director of the DRCO in the document submitted by the DARD shall verify and confirm the asset category according to the exploitation potential and the initial price for each proposed asset.
4. Upon the proposal of the Management, the list of assets selected for public auction with the proposed value of deposits, the category according to the potential use of the asset and the initial price is sent to the Board of Directors for review and approval, while the documents (IM and Electronic File) will be available to the Board in electronic form on the respective link to the PAK servers.
5. The decision on the initial price is documented in the decision on the organization of the public auction and must be based on the background of tender failures, in order to guarantee a fair and justified process.
6. For movable assets, no orientating prices are determined.

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Procedures after approval by the Board of Directors

1. DARD updates the List and makes the technical preparation for publication, after the review and approval by BoD of the list of assets proposed for public auction,
2. Once all documents have been finalized, the Electronic File (data room “data room”) according to the Public Auction Rules is placed in the respective place (PAK servers) where the deadline for placement is one day before the publication of the sale. All documents must be in pdf format.
3. The DARD prepares the Brief Description for each new asset/enterprise using the brief description from the approved list for sale, including the category of potential exploitation of the asset and the initial price for the auction.
4. The Information Memorandum on all assets will be published on the PAK website and at the same time the announcement of the sale by public auction will be made and the date of the public auction will be set.
5. The announcement for the public auction is published 20 days before the auction is held according to the current practices of the Agency for sales publications.

Article 5

Conditions for participation in a public auction

1. Participants in a public auction must deposit 10% of the initial price as guarantee, respectively the deposit, as well as the fee for submitting the bid in the amount of €200.
2. Identifying documentation and/or authorization of representation must be submitted during the registration of bidders together with evidence of payment of the fee and deposit.
3. For movable assets the deposit value is the same as the value of the bid submission fee (€200).

Article 6

Procedure after publication

1. After the expiration of the publication deadline, the Ceremony or Sales Day by public auction shall be held, according to the established plan for the organization of the sale, in accordance with these procedures.
2. The ceremony and organization of the sale will be supervised by DARD, assisted by other Departments or Divisions as needed.
3. The Auction is organized through three committees:
	1. Committee for the Registration of Bidders.
	2. Public Auction Committee
	3. Claims Review Committee
4. The committees are responsible for the implementation of the general auction procedures and rules.
5. Before the start of the auction, each participant must submit to the committee for registration of bidders the following:
	1. Identification document (copy of identity card or passport),
	2. Evidence of payment of participation fee,
	3. Evidence of payment of the bid deposit (refundable guarantee).
6. Evidence of payments must be made to bank accounts determined by the Agency and can be proved through bank transfers (copy of the transfer). The absence of any of the required documents leads to the disqualification of the bidder for participation in the auction.
7. The auction is opened by the Chairman of the Public Auction Committee. The Chairman, after presenting the members of the committee, announces the opening of the auction at the time determined by public announcement.
8. The Committee after the public announcement applies the form of sale at auction through the oral bidding procedure (verbal expression of the bid):
	1. The sale of assets through public auction takes place through the oral bidding procedure, conducted in an open and public session, administered by the Auction Committee.
	2. Auction participants shall submit their oral bids directly to the committee and the present public, in accordance with the deadlines and rules set out in the Regulation on the General Rules of Public Auction.
	3. The price of the highest bid is determined through the process of raising oral bids, until no other participant awards a higher price in the subsequent round. For confirmation, the highest bid must be repeated three (3) times in a row by the respective bidder, before being declared provisional winner so that the last bid repeated three (3) times in a row by the Chairman of the Committee is announced the winner.
	4. The Auction Committee is obliged to document in the minutes all the bids expressed verbally, including the prices, the time of declaration and the identifier of the bidder.
	5. In the event that any bidder does not comply with the oral tender rules, the Committee has the right to exclude him from the procedure.
9. At the end of the session, the Committee will announce **the provisional winner** and invite him or her to sign **the declaration of confirmation and acceptance of the winning bid**. If the provisional winner refuses to sign or fails to make the payment within the deadline, it will be considered a withdrawal and his/her deposit will not be refunded.
10. After the completion of the receipt ceremony and the opening of bids, the Public Auction Committee prepares the information report from the day of sale and the sales results for the Board of Directors.
11. Participants are obliged to submit all documents and additional information that may be requested by the Agency in order to finalize the sale and fulfill the conditions after the announcement of the winner.
12. At the moment of the receipt of the decisions of the Board by the Executive Secretariat of the Board (for each asset separately), the notification process by DARD begins, according to the Public Auction Rules.
13. The letters for "Second Highest Bidder" and "Third Highest Bidder" are sent by DARD. The definitions for the second highest bidder and the third highest bidder are set out in the General Rules of Public Auction.

Article 7

Sale-purchase agreement

1. After the completion of payments and other procedures in accordance with the Public Auction Rules, the drafting of the Sale-purchase Agreement for each asset separately begins.
2. The Division of Sales Contracts within the Legal Department will draft and review the Sale-Purchase Agreement and then invite the provisional buyer to sign the final version of the contract by the buyer within the time limit provided in the Public Auction Rules.
3. After the finalization of the sale-purchase agreement, the contract as such is delivered to the buyer by the respective Regional Office where the handover of the asset is made, or by the Division of Contracts, in case requested by the buyer.

Article 8

Final Provisions

1. For any matter that is not covered by the provisions of these Procedures regarding the sales process, other provisions of the PAK Law and the Agency's sub-legal acts shall apply accordingly.

Article 9

Entry into force

1. This procedure shall take effect on the date of approval by the Board of Directors.

Pristina, on July 30, 2025.

Mentor Hyseni

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Chairman of the Board of Directors

Privatization Agency of Kosovo