

Supervisory Order on Public Auction and Restructuring in the Course of Privatization of Enterprises in the Brcko District of BiH

In accordance with Paragraphs 37 and 43 of the Final Arbitral Award, dated March 5, 1999, and Paragraph 12 of the Annex to the Final Award, dated August 18, 1999;

In furtherance of the Supervisory Order on the Conduct of Privatization of the State Capital of Enterprises in the Brcko District of BiH, dated September 19, 2001 (Official Gazette of the Brcko District of BiH 11/01);

Following the unsuccessful public tender of the state capital of enterprises under privatization by the Brcko District in accordance with the Supervisory Order mentioned above, as well as the Addendum to the Supervisory Order on Conduct of Privatization of the State Capital of Enterprises in the Brcko District of BiH, dated April 24, 2002 (Official Gazette of the Brcko District of BiH 5/02), and Supervisory Order on Excluding Houses of Worship and Cemeteries from the Property of the Enterprises Under Privatization in the Brcko District of BiH, dated November 18, 2002 (Official Gazette of the Brcko District of BiH 17/02);

Recognizing that the sale of capital may be also achieved through a process of public auction with the same guarantees of transparency, and that in some cases it may be more profitable and economically sound for the Brcko District to restructure the enterprises under privatization before offering them for privatization either through a public tender

or auction;

Aiming at advancing the privatization process in the Brcko District and providing the Privatization Office with the legal means required to perform its tasks;

I hereby Order that:

1. In paragraph 2, item III of the Supervisory Order of September 19, 2001, the words "or public auction" shall be inserted between the words "tender" and "process".

2. In paragraph 2 of the Supervisory Order of September 19, 2001, after item III a new item IV shall be added and shall read as follows:

"If the Privatization Office evaluates that the capital of the enterprise to be privatized under this paragraph may not be successfully sold for cash by tender or public auction, the Privatization Office may restructure the enterprise and sell it for cash in accordance with item III of this paragraph and/or sell for cash its assets by public auction. Restructuring shall mean the statutory and/or organizational changes, settlement of debtor-creditor relationships and other changes that would enable the sale of the capital or assets of the enterprise under privatization."

3. The Privatization Office shall issue the regulations necessary to implement this Order within 30 days from the day of entering into force of this Order.

4. This Order shall have immediate effect and shall be published in the Official Gazette of the Brcko District.

Henry L. Clarke
Deputy High Representative
Supervisor of Brcko