

CASE STUDY: "HOTEL AS"



Former hotel "As"

I: INTRODUCTION: Hotel „As“, situated in a cove called Perazica Do, near Budva, once one of the most luxurious tourist facilities on Montenegrin coast, has been an unfinished investment. Despite the fact that the reconstruction of the hotel was announced as a grandiose project, after being sold to a foreign investor, the investment program never got carried out.

In January 2016, the Government of Montenegro finally terminated the sales and purchase agreement, but it was discovered that the €3 million guarantee the investor had submitted with the 2014 agreement annex was not valid. This means that Montenegro cannot collect the contractual penalty of €1 million.

This study will indicate the extent of the damage caused by the agreement that the government concluded with the investor, which turned out not to be a foreign partner, as local people were behind the curtain of the company that officially bought „As“.

II: INVITATION TO TENDER – SALE OF THE HOTEL: Privatization plan for 2011 envisaged the sale of the hotel „As“ by means of open call for bids.¹ At the time, the hotel was a part of the hotel company „Budvanska rivijera“. It remains unknown, though, what the real value of the hotel was at the time of the tender initiation process, nor if there had ever been made an assessment of the property value.

The then Agency for Economic Restructuring and Foreign Investment invited to tender for the sale of the hotel „As“ in February 2001.² The invitation clearly stated that the hotel had 110 rooms and 25 villas with the sea view, while interested parties were invited to contact a company called „Flag“, strategic advisor in the privatization process, in order to get confidential information memoranda. MANS is not in possession of the information on submitted bids with regard to the invitation.

III: OFFER OF A RUSSIAN COMPANY: On 1 March 2001, a Moscow-based company „Sibenergoresurs“ submitted to the Agency of Montenegro for Economic Restructuring and Foreign Investment an offer to buy the hotel „As“, at the same time when it took interest into

¹ Decision on the Plan of Privatization for 2001, which the Government of Montenegro adopted on 5 April 2001 (Official Gazette of Republic of Montenegro 18/01).

² Call for bids for the purchase of facility/hotel of the hotel company „Budvanska rivijera“, dated 2 February 2001.

buying the hotel „Maestral“ in Pržno.³ It is evident from the offer that the company had found out about the sale of the hotel „As“ via company „Neimar Inzenjering“ from Podgorica, which used to build hotels on Black Sea at the time and which would later turn to belong to Nedjeljko Gardasevic.⁴

Posredstvom firme „Neimar Inzenjering“ iz Podgorice, koja izmedju ostaloga trenutno gradi dva hotela na Crnomorskoj obali u gradu Soci za nasu kompaniju, dobili smo informaciju da „Budvanska rivijera“ ima namjeru prodati neke hotele medu kojima i hotel „AS“. Tim povodom mi smo se obratili „Budvanskoj Rivijeri“ dana 20.10.2000 godine i nakon toga uspostavili kontakt sa rukovodnim ljudima iz „Budvanske Rivijere“ pa je sa ciljem blizeg upoznavanja hotela predsednik nase kompanije sa svojim saradnicima obisao hotel AS pocetkom decembra 2000 godine. Nakon raspisivanja konkursa u februaru o.g. nasi predstavnici ponovo su pristupili razmatranju mogucnosti kupovine datog hotela a paralelno sa tim proizlasla je zelja za kupovinom i hotela „Maestral“.

Excerpt from the memo of the Russian company

It is also stated that representatives of „Sibenergoresurs“ contacted heads of „Budvanska rivijera“ in October 2002, while in December of the same year they visited the company. Therefore, the representatives of the Russian company came to visit „Budvanska rivijera“ even before the privatization process of the hotel „As“ was initiated.

It is further mentioned that, while visiting the hotel, the Russian investor estimated that the reconstruction of the tourist facility would cost around €15 million, while he offered a little more than 8 million DEM (Deutsche Mark). The investor offered to make payment in one of the two ways – either in cash (three installments paid over the course of two years), or through compensation, where 38.7 percent of the price would be paid in cash. As it was explained, the company was cooperating with „Neimar Inzenjering“ from Podgorica, which was building a number of facilities for the Government of Montenegro, so the investor would compensate a part of the price through with those works. Hence, it was proposed that the investor construct residential building „Lamela C“, which is envisaged in the plan „Konik-Stari Aerodrom“ in Podgorica, with the total cost of the works of around DEM 6.5 million.

In the offer submitted to the privatization agency, the Russian company stated the annual turnover of \$150 million, but it never submitted any evidence as a proof of the statement.

Mid-September 2001, „Sibenergoresurs“ submitted to the Agency for Economic Restructuring and Foreign Investment amended offer to buy hotel „As“, with modified financial conditions.⁵ It is stated in the amendment that while revisiting the site, it was determined that the hotel had additionally deteriorated, so the investment should be much higher. Instead of the originally planned 22 million DEM, it was estimated that the reconstruction would cost 27 million, 22 million of which would be spent for reconstruction, while the hotel would be paid 5 million.

Međutim ne želimo odustati od nase poslovne koncepcije i namjere pa smo odlucili da predlozimo da takav iznos ulaganja umanjimo za priblizno 10 % odnosno da se ukupni troškovi formiraju na nivo od oko 27.000.000 DEM. Ovih 27.000.000 DEM investiramo u :

a)	Kupovini hotela „AS“ (shodno tenderu)	5 000 000 DM
b)	Investiciona ulaganja u sanaciji i rekonstrukciji hotela	22 000 000 DM
		Sve ukupno: 27 000 000 DM

Excerpt from the amended offer of the Russian company

³ Offer of „Sibenergoresurs“ from Moscow, dated 1 March 2001.

⁴ Overview of costs of construction, realization and payments regarding the residential building „C“ Stari Aerodrom by „Neimar Inzenjering“, dated 10 February 2001.

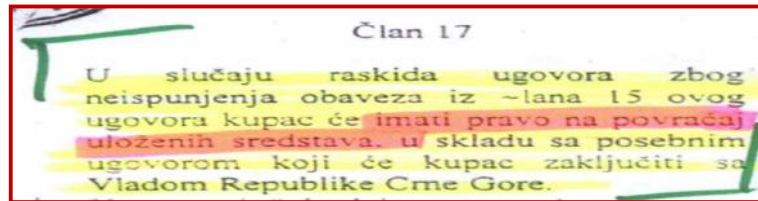
⁵ Amended offer for the purchase of the hotel „As“ by „Sibenergoresurs“ from Moscow, dated 14 September 2001.

According to the then valid Decree on Sales of Shares and Property through Public Tender (article 16), submitted offers could not be modified and amended. Therefore, the acceptance the new offer of the Russian company represented violation of the decree.

IV: UNFAVORABLE SALE OF THE HOTEL TO THE RUSSIAN COMPANY: After “Sibenergoresurs” submitted its offer to buy the hotel „As“ in March 2001, as soon as July, the tender board reached the decision to sell the hotel to the Russian company, as the best bidder. The sales agreement was concluded in May 2002, which means only a year later.⁶ The agreement was concluded by the Government of Montenegro, hotel company „Budvanska rivijera“ and the Russian company „Nega Tours“, which was presented as a joint stock company of „Sibenergoresurs“, which had been assigned works with regard to the hotel in question.⁷ The hotel „As“ was sold for 5 million DEM, where 3 million would be paid to the Government of Montenegro directly after signing the agreement, while the rest was to be paid within four months.

The agreement, based on which the Russian company was sold nearly 36,000 square meters of land and the hotel with villas (around 21,500 square meters of gross surface area of the facility), may be viewed as illegal, unfavorable for the public interest and extremely favorable for the buyer. Most importantly, the buyer was granted the property right over the real estate the same moment the property was transferred, which was against law, as it was the case of property acquisition by a foreign company. Moreover, to company was allowed to register the property over a part of the coastal area, which, according to law, is managed by the public enterprise for coastal zone management.⁸

The most unfavorable aspect of the sale-purchase agreement was that the buyer was guaranteed the return of the investment in case of termination of the agreement, which means 70 percent of the invested money.



Buyer has the right to be returned the invested funds

Concerning the investment program, the total investment was 22 million DEM, or €11 million, it had to be carried out by the end of 2003.⁹

Simultaneously, the government and „Nega Tours“ signed a separate agreement defining the duties in terms of the sale of the hotel.¹⁰ That agreement shows that the buyer did not give any guarantees to fulfill its duties, but the means of financing the hotel reconstruction were only to be provided. Given the fact that the government had granted the buyer the right to pledge the property right after the payment of the sale-purchase price (four months after signing the agreement), the buyer was able to get a loan from a bank for the investment, instead of investing its own assets.

⁶ Sale-purchase agreement of Hotel „As“, dated 24 May 2002.

⁷ Excerpt from the Unified State Register of Legal Entities of Russia No. 192171B/2009, dated 17 August 2009.

⁸ Opinion of Public enterprise for coastal zone management No. 0102-2437/2, dated 7 December 2006.

⁹ Plan of investment into reparation and reconstruction of the Hotel „As“, Perazica Do.

¹⁰ Agreement on regulating relation between the parties participating in the sale and purchase of the Hotel „As“, dated 24 May 2004.

Furthermore, the buyer was guaranteed exclusive application of the Foreign Investment Law, despite the fact that it was a privatization agreement. Yet, that was not the end of indulgences - the government committed to providing construction permits and concession for organizing games of chance in future casino. However, the most disputable was the promise to grant the buyer concession to use the beach „Crvena stijena”, while in return, the buyer would reconstruct the pedestrian tunnel from the hotel to Petrovac. Moreover, in case the buyer constructed the passage for pedestrians and did not get the concession for the beach, it would have the right to be paid back for the investment. Also, the government guaranteed that the public enterprise in charge of roads would reconstruct the access road from the highway to the hotel. In case the said was not carried out, the buyer would perform the works and the government would cover the costs.

On the other hand, the buyer bought the hotel without any liabilities and guaranteed to provide the work for 12 months a year. When it comes to the welfare program, it committed to taking over all of 29 employees and pay them average salaries in the field of tourism.¹¹ Finally, when it comes to termination clauses, the government could terminate the agreement in case the buyer failed to fulfill its obligations.

CONCESSIONS MADE BY THE GOVERNMENT IN THE SALES AGREEMENT
Illegal registration of land
Lack of investment guarantees
Giving property as the pledge for financing the investment
Illegal application of the Foreign Investment Law
Promised concession on the beach
Promised construction permits
Promised road construction
Promised concession on casino

Table 1: Concessions granted to the buyer based on the sale-purchase agreement

V: REGISTRATION OF REAL ESTATE IN THE NAME OF A FOREIGN COMPANY: Only five months after the agreement was signed, the Russian company illegally registered the property right of the purchased real estate.¹² The cadaster of Budva allowed registration, citing the Law on State Survey and Cadaster of Immovable Property, which allowed registering property right in case there is a license of legal transaction. In that case it was the sale-purchase agreement. However, since it was a foreign company, applicable law for the registration of property right was the Law on Basis of Ownership and Proprietary Relations (an act of the old Federal Republic of Yugoslavia, with Montenegro as one of the constituents), according to which a foreign company could acquire ownership of a real estate only if it had done business in the old state and the real estate had been necessary for doing such business¹³. That condition was not fulfilled.

¹¹ List of employees – Annex to the Agreement on Sales and Purchase of the Hotel „As”, 24 May 2002.

¹² Decision of the Real Estate Administration, Branch office Budva, No. 954-104-1767/02 dated 8 October 2002. Decision of the Real Estate Administration, Branch office Budva, No.954-104-U-1767/2/02 dated 6 November 2002.

¹³ Article 82a of the Law on Basis of Ownership and Proprietary Relations (Official Gazette of FRY No. 29, 6 June 1996) stipulated the following: „foreign individuals and legal entities doing business in Federal Republic of Yugoslavia may, subject to reciprocity, acquire ownership of real estate on the territory of Federal Republic of Yugoslavia necessary for doing such business.“

Moreover, the Russian company was allowed to register ownership in coastal zone, with the approval from the public enterprise for coastal zone management,¹⁴ despite the fact that the Coastal Zone Law clearly stipulated that the coastal zone could become a private property only in exceptional cases when „it is not against the nature of the coastal zone, its purpose and preservation of value and it provides better usage of the coastal zone“. In other words, there was no basis to allow the Russian company to acquire the ownership.

Finally, official data show that only two years later, in February 2004, the Russian company registered „Nega Tours“ in Montenegro, the company registered as the owner of the prestigious locality.¹⁵

VI: DECADES OF EXTENDING DEADLINES FOR FULFILLING COMMITMENTS: The Russian buyer did not carry out €11 million investments by the end of 2003. Moreover, it did not carry out the welfare program, which envisaged taking over 29 employees of „Budvanska rivijera“. In spite of the said, it is concluded in the Report of the Privatization Council for 2004 that the Government decided to sign annex to the agreement with the buyer,¹⁶ to extend the deadline for fulfilling commitments until May 2007.

As seen from the same documents, until that moment, the buyer had only done certain works on widening the land plot for the future construction, as well as widen the interior of the hotels and villas, without providing the construction permit. Data in possession of MANS show that, in 2004, the buyer acquired necessary permits¹⁷, which allowed it to reconstruct 11-floor hotel, to remodel 27 villas, construct a 40- berth marina, three heliports, a tennis court, an undersea restaurant, parking and a disco club. The whole facility would cover the surface over 40,000 square meters. At the end of 2006, the former Ministry of Economic Development issued a construction permit which allowed the buyer to build a part of 17-floor hotel.¹⁸



Computer animation of the planned investment

However, the extension of the deadline was not sufficient for the buyer to fulfill the commitments.¹⁹ In the Report of the Privatization Council for 2010, it is mentioned that the buyer modified the project in the meanwhile, so the total planned investment amount to €110 million.

¹⁴ Acceptance of the Public Enterprise for Coastal Zone Management of Montenegro No. 0202-1675/1, dated 27 August 2002.

¹⁵ Website of the Central Registry of Business Entities, link: <http://www.pretraga.crps.me:8083/Home/Trazi>.

¹⁶ Activity Report for 2004 of the Privatization Council, December 2004.

¹⁷ Urban and technical conditions No. 05-1929/04, dated 22 June 2004.

¹⁸ Construction permit No. 0502-08-5348/04, dated 13 December 2006.

¹⁹ Report on realization of commitments from the privatization agreement of the Privatization Council, November 2010.

Thus, the prospective hotel complex would have 440 rooms and 900 beds, marina, heliports, casino, spa and wellness center, as well as a garage of nearly 10,000 square meters.



The facility under the first fix

The most incredible in the whole report of the Privatization Council was the statement that the buyer had invested €45 million until the moment of reporting. The report does not provide a single piece of information confirming the said investment, while the situation on the site was showing that the facility was still under the first fix, which could not have taken more than a few million euro.

At the beginning of 2013, a decade after the buyer had been supposed to finish the reconstruction of the hotel, the situation on the site was not changed – the complex was built, the facility was still under the first fix.²⁰ In January 2013, the government adopted a Communication which acknowledged that the investor had extended the new deadline for finishing the project until May 2015, while it was also trying to provide a loan for the continuation of works.²¹ Therefore, the government decided to renew the negotiations in order to find a „model of overcoming the difficult situation“.²²

In a new communication, dated April 2013, the government revealed that it had asked the buyer to prove the statement that it had invested €50 million in the project, adding that the buyer had not provided the guarantee for investment continuation, nor the plan of further investment, which the government asked for in the meanwhile. A month later, the government asked for the termination of the agreement with „Nega Tours Montenegro“ with regard to the privatization of the Hotel „As“.²³

3. Zadužuje se Ministarstvo održivog razvoja i turizma da, zbog neizvršavanja ugovornih obaveza, pokrene proceduru raskida sljedećih ugovora:
- Ugovora za prodaju 80,9642% akcijskog kapitala društva „Centar za odmor, rekreaciju i liječenje“ Igalo AD, zaključenim s Konzorcijumom Fonda zajedničkog ulaganja „HLT Fond“ AD i HTP „Primorje“ AD Tivat i
- Ugovora o regulisanju međusobnih prava i obaveza učesnika u kupoprodaji hotela AS, zaključenim s kompanijom Nega Tours iz Moskve
i Ugovora o kupoprodaji Hotela zaključenog između HTP Budvanska rivijera i Nega Tours.

After a decade of not fulfilling the duties, the government wants the termination of the agreement

However, the end of September 2013, the agreement was not terminated.²⁴ Actually, the buyer was given another chance to provide the bank guarantee for the planned investment within 30 days, so that the government would sign the annex and extend the deadline for fulfilling the commitments.

²⁰ Communication on the status of agreement with unfulfilled agreement commitments in the field of tourism, the beginning of 2013.

²¹ Communication on realization of conclusions of the government No. 06-104/4, dated 31 January 2013, with regard to the status of privatization agreements in the field of tourism.

²² Conclusion of the Government of Montenegro No. 06-104/7, dated 9 May 2013.

²³ Communication on realization of conclusions of the government No. 06-104/7, dated 9 May 2013, with regard to the status of privatization agreements in the field of tourism.

²⁴ Conclusion of the Government of Montenegro No. 08-104/10, dated 3 October 2013.

As for the investment plan, there is no further mention of the grandiose project of €110 million. Apparently, it has been modified. Now, the buyer intends to finish the works in two phases. The first would take 24 months and €15 million (according to the buyer, the sum has already been provided), while the second would take €50 million (provided through a loan). According to the plan, the buyer will build a five-star hotel, with 180 rooms, game courts and entertainment facilities.

VII: GOVERNMENT EXTENDED INVESTMENT DEADLINE UNTIL END OF 2015: At the end of January 2014, the Government of Montenegro signed the Annex to the Agreement on regulating relation between the parties participating in the sale and purchase of the Hotel „As“.²⁵ According to the Annex, the value of the investment in the first phase of the reconstruction should be €15 million, while the value of the investment in the second phase is €35 million. The deadline for the half of the first phase investment is November 2014 and the second half should be carried out not later than December 2015, when the investor is due to open the five-star hotel and 180 rooms.

The deadline for fulfilling commitments from the annex started the moment it was signed, and the termination will follow in case “Montena Invest” does not meet the contractual duties. In case 90 percent of the first phase works is finished and the hotel is not operational, the investor is to pay the government penalties of €20,000 a month, until the opening. “Montena Invest” is to submit the guarantee of €3 million. In case it fails to do so within the defined deadline, it will pay a contractual fine of €1 million.

VIII: OWNERSHIP STRUCTURE AND EQUITY: „Nega Tours“ from Moscow, the signee of the sales and purchase agreement with the Government of Montenegro, was founded in August 2001, five months after „Sibenergoresurs“ made an offer to buy the hotel „As“. According to the official data, share capital of „Nega Tours“ is 10,000 Russian Rubles²⁶, the owner is a Montenegrin citizen Nedjeljko Gardasevic²⁷, while the managing director is a Russian citizen Viktor Georgiyevich Mazanov.²⁸

Three years later, in February 2004, „Nega Tours“ from Moscow founded „Nega Tours Montenegro“, with its headquarters at Perazica Do,²⁹ with the share capital of €1. Data from the Montenegrin registry of business entities show that, in accordance with the power of attorney granted by Viktor Georgiyevich Mazanov³⁰, Dejan Gardasevic³¹ signed the decision on foundation of the company. Later, Viktor Georgiyevich Mazanov would emerge as a member of the board of directors.

According to the available documentation, during the very first two years of the Montenegrin company, its capital was increased through recapitalization to around €650,000. The money used

²⁵ Annex I to the Agreement on regulating relation between the parties participating in the sale and purchase of the Hotel „As“, dated 31 January 2014.

²⁶ 1 euro=43.68 rubels, on 29 October 2013.

²⁷ Nedjeljko Gardasevic was the founder of „Nikats-inzenjering“ from Podgorica, which was closed in the meanwhile, and he founded „Neimar inzenjering“, a construction company in Podgorica.

²⁸ Mazanov appears in „Nega Tours“ from the Sverdlovsk region, as well as in „Mont Invest“ Limited Liability Company from Moscow.

²⁹ Decision on founding limited liability company „Nega Tours Montenegro“, dated 11 February 2004.

³⁰ Power-of-attorney, dated 12 January 2004.

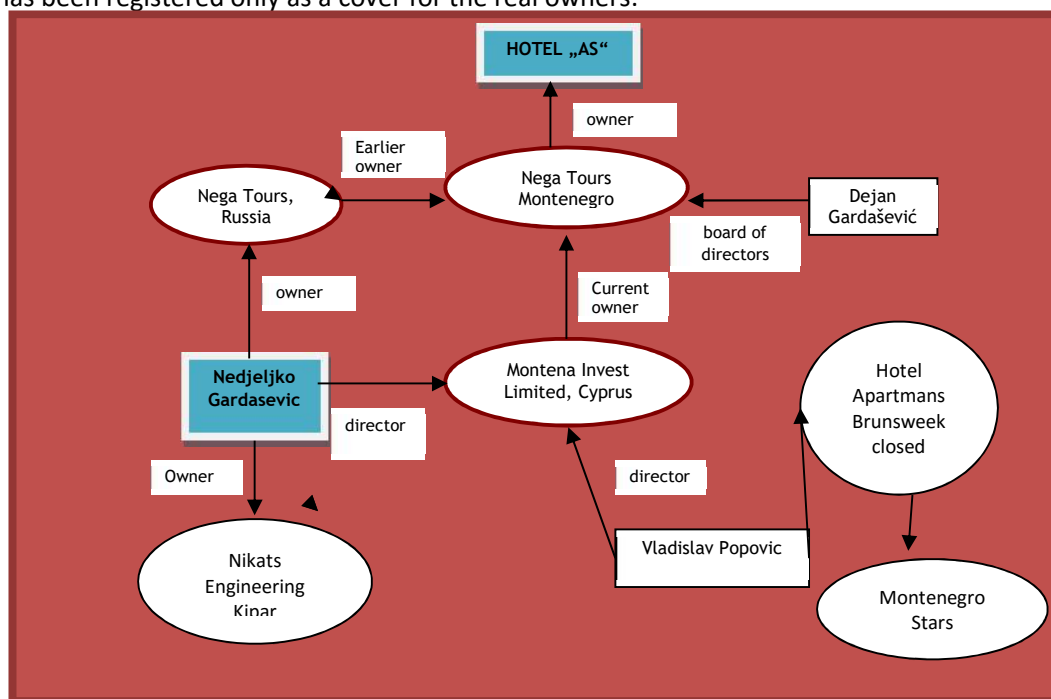
³¹ Dejan Gardasevic comes forward as the founder and chief executive director of „Neimar Group“, a company from Podgorica dealing with construction of buildings. He was also the chief executive director of „Nikats inzenjering“, dealing with engineering, which was founded by Nedjeljko Gardasevic and which was closed in the meanwhile. He was also the founder of the hospitality company „Padcafe“ from Podgorica.

for increasing the capital was paid from two companies from Cyprus - „Nikats Engineering Limited“³² i „Montena Invest Limited“.³³

According to the Cyprus registry, „Nikats Engineering Limited“ was founded in 1996, with the share capital of €1,700, while the major stakeholder is again Nedjeljko Gardasevic, with 99 percent of the share.

Regarding the other company from Cyprus, „Montena Invest Limited“, the data show that it was founded in 2000. One of the directors from the first days of foundation was also Nedjeljko Gardasevic, but from 2008, another Montenegrin citizen, Vladislav Popovic, comes forward. He was the head of the board of directors tour operator from Budva „Hotel Apartmans Brunsweek“, which was founded by the „Hotels Group Montenegro Stars“, which manages the most prestigious hotel in Montenegro – „Splendid“ in Budva. The said tour operator was closed down in the meanwhile.³⁴

As for the ownership of „Montena Invest Limited“, the data show that it belongs to another company from Cyprus „Cypronavus Limited“, backed by another two companies from Cyprus - „Cypropublico Limited“ and „Cyproservus Co Limited“. Apparently, this is the case of companies which has been registered only as a cover for the real owners.



Scheme: Ownership structure of the Hotel „As“ at the end of 2014

In 2006, a new property evaluation was performed, as required by the new owner. On this occasion, the value of the property was estimated at €3.8 million, and the share capital of the company was increased accordingly. The estimation encompassed nearly 42,000 square meters of land (five more than sold to buyer in 2002) and 21,500 square meters of the hotel facility, which,

³² Excerpt from the registry of Cyprus for „Nikats Engineering limited“, Cyprus, on 22 October 2013.

³³ Excerpt from the registry of Cyprus for „Montena Invest Limited“, Cyprus, on 22 September 2008 and 30 October 2013.

³⁴ Source: Data from the Internet.

at the time, due to deconstruction, was a mere concrete construction. In the following two years, on the basis of various equipment, non-monetary assets were increased by additional €700,000. At the same time, by September 2014, there was a larger number of payments by „Nikats Engineering“ and „Montena Invest Limited,“ based on which the monetary assets were increase to €12,7 million.³⁵

MANS does not possess the data on establishment and registration changes after September 2004, but financial reports of „Nega Tours Montenegro“³⁶ show that, at the end of the year, the value of its „real estate, facilities and equipment“ was €17.9 million. The financial report does not show separate values of the real estate, facilities and equipment.

In August 2009, the Russian „Nega Tours“ and Cyprian „Montena Invest Limited“, concluded the Share Transfer Agreement, and the company from Cyprus acquired the full ownership of „Nega Tours Montenegro“ without any compensation.³⁷ The attorney in the agreement, representing the Russian company, was Branko Colovic, known for his liaisons with the controversial businessman from Budva, Zoran Becirovic, who is close friends with the Montenegrin Prime Minister Milo Djukanovic.

IX: GOVERNMENT TERMINATES AGREEMENT; THE GUARANTEE IS NOT VALID: The beginning of 2016, the government announced it had decided to terminate the agreement for the hotel “As”. At the same time, it was revealed that the €3 million guarantee was not valid, which is why the Ministry of Sustainable Development and Tourism filed criminal charges against Dejan and Nedjeljko Gardasevic, Vladislav Popovic, Viktor Mazanov and two unknown persons.³⁸

The Special Prosecutor soon formed a case with regard to the privatization of the hotel „As”,³⁹ and in May 2016 the Parliament of Montenegro held a control hearing of the minister of sustainable development and tourism, Branimir Gvozdenovic, concerning the sale of the hotel and validity of the guarantee.⁴⁰

In the eve of the control hearing of the minister, the owners of “Nega Tours Montenegro” claimed in a memo submitted to the parliamentary Committee on Economy, Finance and Budget⁴¹ that they had invested €44 million in the hotel “As”. However, the sum is disputable not only because of financial reports of the companies from the end of 2014, in which the value of the real estates, facilities and equipment was €17.9 million, but also because of the situation on the site at the beginning of 2016, where it is clearly seen that the facility in Perazica Do is under the first fix.

The Committee on Economy, Finance and Budget proposed to the Parliament of Montenegro to adopt conclusions which stated that the sales-purchase agreement did not sufficiently protect interests of Montenegro in case of the termination and that the government needed to carry out an audit of total investment in the hotel and define clear procedures for acceptance of bank

³⁵ Source: „Nega Tours Montenegro“ data from the Central Registry of Business Entities.

³⁶ Source: Final account of „Nega Tours Montenegro“ for 2014.

³⁷ Share Transfer Agreement, dated 4 August 2009.

³⁸ Source: Official website of the Ministry of Sustainable Development and Tourism; link: <http://www.mrt.gov.me/vijesti/158655/lzjava-Olivere-Brajovic-direktorice-direktorata-za-turisticki-razvoj-i-standard-e-podnosnju-krivice-prijave-protiv-sest-osoba.html>

³⁹ Article of the daily „Vijesti“, „As Guarantees under Katnic's Scrutiny,” dated 23 April 2016; <http://www.vijesti.me/vijesti/garancije-za-as-pod-lupom-katnica-885058>

⁴⁰ Source: Website of the Parliament of Montenegro; link: <http://www.skupstina.me/zakoni/web/dokumenta/zakoni-i-drugi-akti/1075/1127-7262-00-63-7-16-27-2.pdf>

⁴¹ Memo No. 00-63-7/16-25/1, dated 14 April 2016.

guarantees. In addition, the Committee stated that the possession of the hotel should not be reverted to “Budvanska rivijera”, but treated as state property and put up for auction.

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