



# JUDICIAL E-AUCTIONS IN UKRAINE

Annual meeting of the European Cyberjustice Network (ECN)

23 November 2023

# DEVELOPMENT OF «OPENMARKET» (CETAM) IN UKRAINE

**2014** - website launched, started testing

**2015** - founding of the state-owned company «SETAM»

**2017** - rebranding of the name of the e-auction from SETAM to Open Market

**2019** - start voluntary sales

**2022** - start sales of non-performing loans (NPL)



# STATISTICS 2014 - 2023

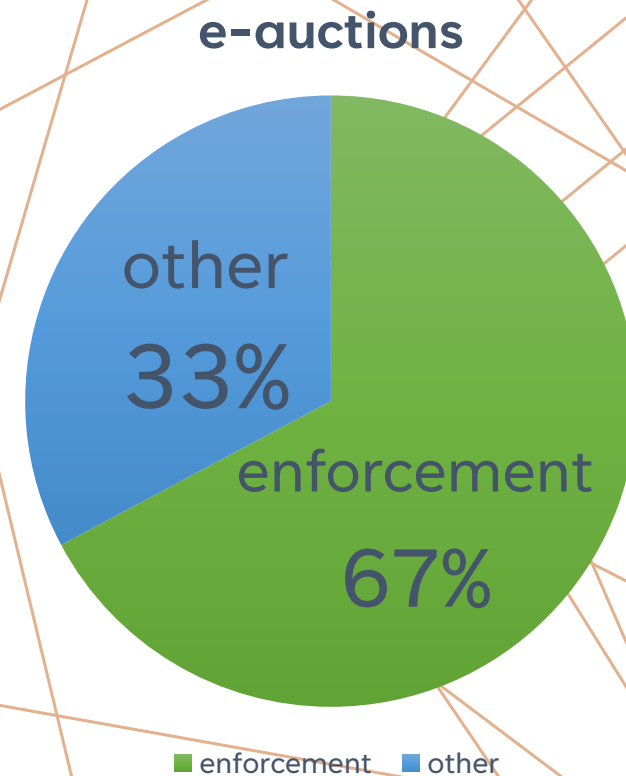
**522 114** – number of e-auctions

**81 613** – successful e-auctions (15.7 %)

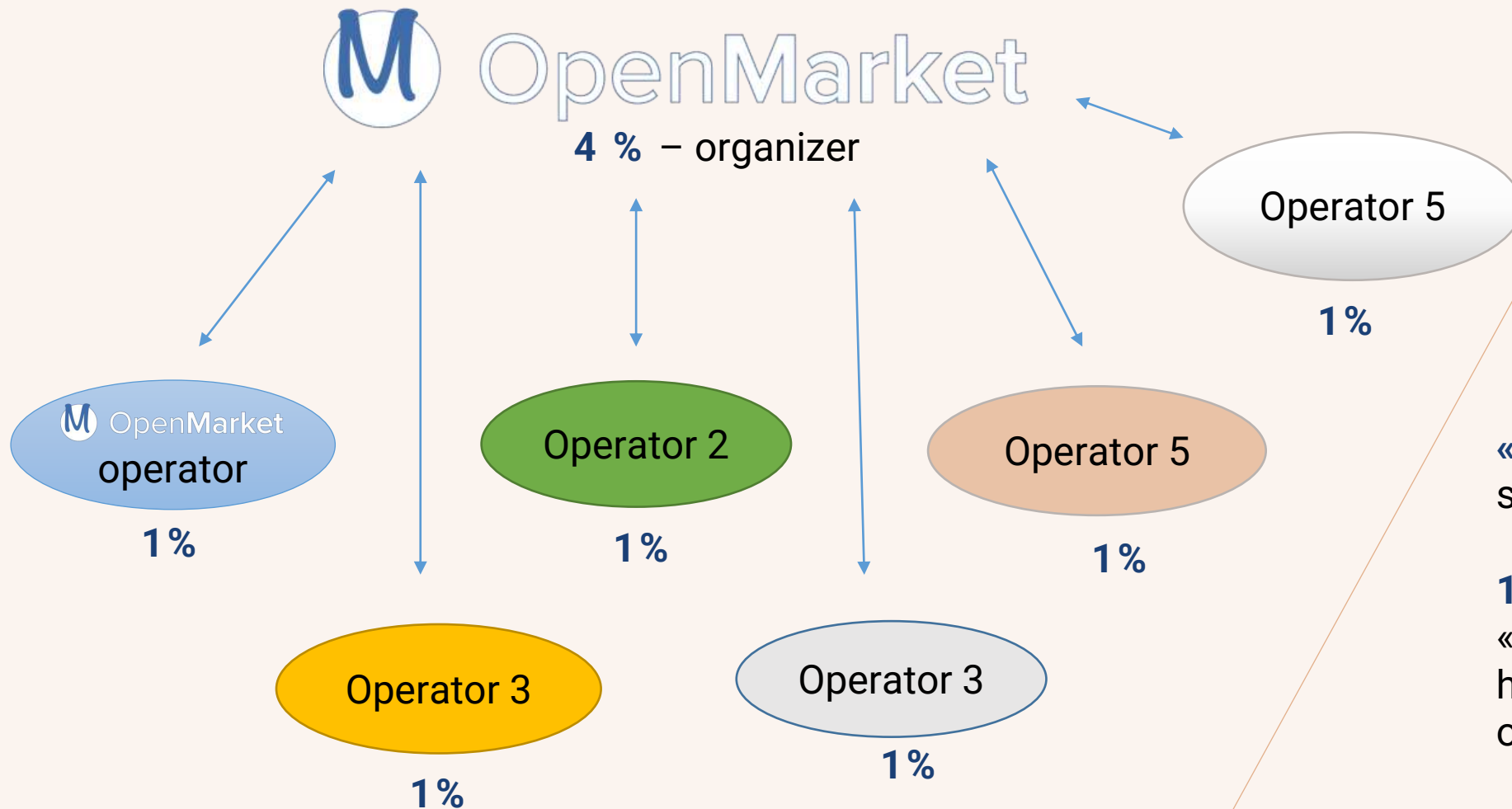
**11,4 %** – average price increase

**99 187** – number of registered bidders in the system

**385 625** – times bidders participated in the e-auctions (1 bidder participated in 4 e-auctions)



# SHARING OF INCOME FOR THE ORGANIZATION AND CONDUCTING THE E-AUCTION



«OpenMarket» (CETAM) - sole organizer of e-auctions

12 operators, including «OpenMarket» (CETAM), have been connected to the organizer's platform

# PRACTICAL ISSUES OF TRANSFERRING THE STATUS OF WINNER TO THE SECOND-HIGHEST BIDDER

Until the winner of the e-auction pays for the seized assets, all other bidders are in a pending status. If the winner does not pay, the winner's title transfers to the next. Overall, this is positive.

Negative aspects of this approach:

1. The deposits of all bidders are **frozen for a long time**. Everyone who bids can be a winner.
2. Bidders can make «**carousels**». In this scheme, there are at least 3 bidders. The first one puts the basic price bid. The other two bidders deliberately step by step raise the bids to an unreasonably high price. They don't pay on time and the winner's title transfers to the first bidder that offered basic price.

This scheme can be countered by making a *special bid*. The good-faith bidder can place any bid no matter how the auction goes (more or less than the current highest bid).

# SERVICES THAT «OPENMARKET» (CETAM) PROVIDES FOR ENFORCEMENT OFFICERS

## **Sale notice inspection**

CETAM specialists check the application before placing the seized assets to e-auction. If any inaccuracies are found, the application is sent for revision.

## **Sale notice republishing**

If the e-auction was not successful, CETAM specialists would republish sale notice themselves (with the price reduction).

## **Issuing documents to the winner**

At the sale of the mortgage, SETAM receive the documents from the enforcement officer and issue them to the winner.

## **Storage of movable seized assets**

All movable seized assets (that can be transported) must be stored at SETAM. SETAM has branches in all regions of Ukraine.

## CONTACTS

I wish you to come up with the concept of the best e-auction in the world :-)

Thank you all for your attention.

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