

ANALYTICAL NOTE No. 12

494 Land Plots in Zakarpattia Oblast

Project - "Monitoring the Management of Seized Assets"



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This publication was prepared within the project on monitoring the activities of the National Agency of Ukraine for Finding, Tracing and Management of Assets Derived from Corruption and Other Crimes (ARMA). The Institute of Legislative Ideas focuses on practical aspects of transferring seized assets into management, their subsequent nationalisation, transfer to the State Property Fund and privatisation. The analysis covers mechanisms of interaction between state authorities in the asset management process, regulatory challenges and economic implications. Based on the monitoring results, recommendations have been developed to improve the effectiveness of management of seized assets and assets already recovered into state revenue.

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Executive Summary

This case concerns the sale of 494 land plots with a total area of more than 460 hectares located in Zakarpattia Oblast (Mukachevo, Svaliava and Khust districts), which include infrastructure facilities of a ski resort. The assets belong to a group of related legal entities (LLC "Taurus Invest", "Taurus Land", "Taurus Property", "Borzhava Development", "Borzhava Invest", "Borzhava Land", "Dumka"), whose ultimate beneficial owner is an Austrian citizen, and were acquired using funds laundered within a criminal offence related to the embezzlement of state funds in the amount of UAH 259.2 million.

In 2024-2026, ARMA organised the sale of the assets through the Prozorro.Sale system, engaged LLC "Polonex" as the auction organiser and divided the assets into three lots. Despite eight unsuccessful auctions with a gradual reduction of starting prices and changes in auction formats (English and hybrid Dutch auctions), demand for the assets remained absent for a long time, which resulted in a significant depreciation of the lots compared with the initial independent valuation.

The first sale results were achieved only on the ninth attempt, in January 2026, when two private buyers submitted bids for all three lots, while total proceeds were significantly lower than the original appraised value of the assets. As of the date of preparation of this note, the auctions have been recognised as not having taken place due to signs that the winners were connected with the owner of the seized assets. A criminal proceeding has also been opened over possible unlawful actions by ARMA officials.

This case demonstrates key challenges in the sale of seized assets through ARMA. These include low market interest in complex land assets, long sale timelines and a substantial loss of value caused by repeated auctions. There are also risks of legal and financial uncertainty linked to time limits set in the court judgment, as well as an increased likelihood that persons affiliated with the previous owners of the assets may participate in the auctions.

Identified issues as of 09.02.2026

- **The sale of the assets has taken a long time (more than 15 months), despite the judgment containing a clearly defined 12-month benchmark.**
- **Low level of competition during the auctions.**
- **A significant value gap between the initial independent valuation of the assets and the actual sale price.**
- **Participation in the auctions by persons connected with the previous owners of the assets.**
- **The auctions were recognised as not having taken place due to signs that the winners were connected with the owner of the seized assets.**
- **A criminal proceeding has been opened over possible unlawful actions by ARMA officials.**

1. General information about the asset

The 494 land plots, covering more than 460 hectares, are located in the Carpathians. They are situated in Zakarpattia Oblast, in Mukachevo, Svaliava and Khust districts. The area also includes the upper and lower stations of a ski lift.

The sale is carried out pursuant to a judgment of the High Anti-Corruption Court¹ and with the notarised consent of the owners².

According to YouControl, the land plots are owned by related legal entities united by a common ultimate beneficial owner, Austrian citizen Gernot Leitner (100%).

The structure includes two groups of companies - "TAURUS" and "BORZHAVA", most of which were registered in 2013 and have a cross-ownership structure among founders.

The "TAURUS" group includes LLC "TAURUS INVEST" (State Register code 38962929, business and management consultancy activities), LLC "TAURUS LAND" (State Register code 38969992, buying and selling of own real estate) and LLC "TAURUS PROPERTY" (State Register code 38970070, buying and selling of own real estate). The founder of these companies is LLC "CARPATHIAN MOUNTAIN RESORTS-'BORZHAVA'", with minority mutual participation of the group companies.

The "BORZHAVA" group includes LLC "BORZHAVA DEVELOPMENT" (State Register code 38910231, buying and selling of own real estate), LLC "BORZHAVA INVEST" (State Register code 38928102, other passenger land transport n.e.c.), LLC "BORZHAVA LAND" (State Register code 38939512, buying and selling of own real estate) and LLC "DUMKA" (State Register code 32610424, other reservation service and related activities). The founding structure of the group is built around LLC "BORZHAVA RESORT HOLDING", with minority participation of related companies.

The auction organiser conducted an independent valuation of the assets, under which the land was valued at a total of UAH 1,067,616,700³.

2. Current status

On 11 June 2024, ARMA announced the start of a competitive selection procedure for a legal entity that would sell the 494 land plots⁴.

¹ <https://reyestr.court.gov.ua/Review/120221287>

² <https://arma.gov.ua/uk/news/typical/aktiv-iz-potentsialom-dlya-rozvitku-arma-prodovjue-realizatsiyu-494-zemelnih-dilyanok-na-zakarpatti>

³ <https://arma.gov.ua/news/typical/zemlya-na-milyard-arma-realizovue-zemelni-dilyanki-na-zakarpatti>

Four applicants submitted bids to participate in the competition. Depending on experience in the market for the sale of seized assets and compliance with the announced criteria, the Commission for the Sale of Seized Assets selected the winner from among LLC "Polonex", LLC "Ukrenergoconsult", PE "Tender Online" and LLC "U.Biz".

On 4 July 2024, during a regular meeting of the competition Commission, LLC "Polonex" was selected as the winner. Subsequently, the selected auction organiser was responsible for conducting auctions on the Prozorro.Sale platform⁵.

The asset consisting of 494 land plots was divided into three lots and placed for sale in the Prozorro.Sale electronic trading system.

The first lot consists of 41 land plots owned by LLC "TAURUS INVEST".

The second lot consists of 115 land plots owned by LLC "TAURUS LAND" and 93 land plots owned by LLC "TAURUS PROPERTY", including the lower station with a chairlift and the upper station of the ski lift.

The third lot consists of 145 land plots owned by LLC "BORZHAVA DEVELOPMENT", 56 land plots owned by LLC "BORZHAVA INVEST", 42 land plots owned by LLC "BORZHAVA LAND" and 2 land plots owned by LLC "DUMKA".

The first three-round English auction was scheduled for 29.11.2024, but no participant expressed interest in purchasing any of the lots.

The initial prices of the lots were:

- First lot - UAH 68,058,738.00;
- Second lot - UAH 482,874,631.00;
- Third lot - UAH 516,683,331.00.

For the same reason, the next seven auctions, scheduled for 13.12.2024, 20.01.2025, 07.07.2025, 18.07.2025, 29.07.2025, 02.12.2025 and 15.12.2025, also did not take place due to the absence of participants.

During these attempts to sell the land plots, the price of the lots decreased significantly, and the approaches to conducting the auctions also changed.

The auction organiser, LLC "Polonex", chose the following asset sale strategy:

- 1) announcement of a three-round English auction;
- 2) if there were no participants, a repeat three-round English auction with a 50% reduction in the lot prices;
- 3) if there were no participants, announcement of a hybrid Dutch auction with the same starting prices for the lots;
- 4) if there were no participants, repetition of the first three steps with another partial price reduction.

A three-round English auction is conducted with the prior submission of sealed price bids, which are ranked by the system, while **the participant with the highest bid has the right of the last move in three bidding rounds**. The auction is held with at least two participants (or one participant in defined cases), after which all information about the participants and bids is disclosed.

⁴ <https://arma.gov.ua/news/typical/arma-ogolosila-konkurs-na-obrannya-yuridichnoi-osobi-yaka-realizovuvatime-494-zemelni-dilyanki-na-zakarpatti>

⁵ <https://arma.gov.ua/news/typical/arma-realizovue-494-zemelni-dilyanki-na-zakarpatti-konkursna-komisiya-ogolosila-imya-peremojtsya>

A hybrid Dutch auction is conducted in the **format of reducing the price** until one of the participants fixes it, after which other participants may submit sealed bids with a higher price, and the winner is the participant who offers the highest amount. The participant who stops the price reduction has the right of the last move, and the auction may start without registered participants.

At the same time, the gradual reduction of the starting price of lots is provided for by the Procedure for the Sale of Seized Assets at Electronic Auctions, which was developed by ARMA itself:

- If a lot offered for sale at auction is not sold, repeat electronic auctions are held with a 50 percent reduction in the starting price, except in the case provided for in the fourth paragraph of this clause.
- If the asset is not sold in the manner provided for in the second paragraph of this clause, repeat auctions are held - auctions using the method of step-by-step reduction of the starting price and subsequent submission of price bids, with a 50 percent reduction of the starting price defined in the first paragraph of this clause⁶.

Thus, the second auction was also announced as a three-round English auction, and the lot prices were reduced by half:

- First lot - UAH 34,029,369.00;
- Second lot - UAH 241,437,315.50;
- Third lot - UAH 258,341,665.50.

During the third auction, the lot prices remained the same, but the auction type was now defined as a hybrid Dutch auction.

The fourth auction was also announced as a three-round English auction, and the starting prices of the lots decreased:

- First lot - UAH 46,171,600.00;
- Second lot - UAH 349,344,700.00;
- Third lot - UAH 431,931,200.00.

The fifth auction had the same type, but the lot prices were reduced by half from the new price:

- First lot - UAH 23,085,800.00;
- Second lot - UAH 174,672,350.00;
- Third lot - UAH 215,965,600.00.

During the sixth auction, the lot prices remained the same, but the auction type was now defined as a hybrid Dutch auction.

The seventh auction was again announced as a three-round English auction with new starting prices for the lots:

- First lot - UAH 20,900,600.00;
- Second lot - UAH 150,411,900.00;
- Third lot - UAH 176,593,200.00.

The eighth auction had the same type, but the lot prices were reduced by half from the new price:

- First lot - UAH 10,450,300.00;
- Second lot - UAH 75,205,950.00;
- Third lot - UAH 88,296,600.00.

⁶ <https://zakon.rada.gov.ua/laws/show/1250-2023-%D0%BF#Text>

The auctions scheduled for 08.01.2026 produced the first result. This was the ninth attempt to sell the defined lots. The auctions were announced as hybrid Dutch auctions, and the starting prices of the lots remained the same as before.

Only two private individuals expressed interest in buying the lots:

- Andrii Mykolaiovych Vinhranovskyi, who offered UAH 5,434,156.00 for the first lot⁷ and UAH 39,107,094.00 for the second lot⁸;
- and Ihor Vasylovych Vlasiuk, who offered UAH 45,031,266.00 for the third lot⁹.

According to media reports, these persons are connected with the convicted persons who owned these land plots, namely Serhii Lovochkin and Vladyslav Kaskiv. According to YouControl, Ihor Vlasiuk is a co-founder of LLC "Borzhava Asset", whose ultimate beneficial owners are the already mentioned Andrii Vinhranovskyi and Renata Huseinova, who is allegedly the civil partner of Vladyslav Kaskiv¹⁰. Media also report that Andrii Vinhranovskyi is the husband of Lovochkin's sister, Yuliia Lovochkina¹¹.

Eight auctions were conducted over the course of a year by the selected platform in an attempt to sell the land plots. Potential buyers appeared only at the ninth auction. During this time, the asset price obviously fell several times. At the same time, these are the auction rules, under which the platform seeks to sell the asset rather than wait until it is purchased at an appraised value acceptable to everyone.

As for those who purchased the asset, clear questions arose among the public and individual representatives of the authorities. It is important, first, to confirm the lawful origin of the funds used for the purchase and, second, where there are grounds to do so, to reject the auction. At the same time, this will further delay the sale of the land plots and will most likely affect their value.

Moreover, from a legislative perspective, amendments should be made to the asset sale procedure to clearly prevent persons connected with the owner from winning, if such a decision is taken.

On 8 February 2026, ARMA published an official statement on this case. According to it, the Agency refused to sign the protocol recognising the auctions as having taken place and refused to conclude the sale and purchase agreement. The reason was the results of the verification of the auction winners. The information obtained during the verification indicated signs of connection with the owner of the seized assets¹².

Nevertheless, as of the date of preparation of this note, the status of all three auctions on the Prozorro.Sale platform is still listed as "awaiting publication of the protocol".

Going forward, ARMA will ensure that a new valuation is conducted and that a repeat auction is organised, taking into account the updated approaches to the management of seized assets provided for by the Law on ARMA Reform.

⁷ <https://prozorro.sale/auction/APD001-UA-20251217-81170/>

⁸ <https://prozorro.sale/auction/APD001-UA-20251217-64014/>

⁹ <https://prozorro.sale/auction/APD001-UA-20251217-24805/>

¹⁰ <https://surl.li/prwdyn>

¹¹ <https://bihus.info/otochennya-kaskiva-lovochkina-znov-vzyalosya-za-kurort-v-pylypczi-sotni-gektariv-vzhe-gotuyut-pid-zabudovu/>

¹² <https://surl.li/gntsev>

Several days earlier, it also became known that the Office of the Prosecutor General and the State Bureau of Investigation were conducting a pre-trial investigation in criminal proceeding №62026000000000025 dated 12 January 2026 over possible unlawful actions by ARMA officials during the sale of land plots in Zakarpattia Oblast¹³.

3. Grounds for seizure of the asset and its transfer to ARMA

The High Anti-Corruption Court considered materials of the consolidated criminal proceedings No. 220130000000000287 dated 25.11.2013 and No. 420180000000000300 dated 12.02.2018 concerning criminal offences under Part 5 of Article 191 and Part 3 of Article 209 of the Criminal Code of Ukraine.

As a result of the court proceedings, it was established that a group of persons had organised a scheme to misappropriate state funds in the amount of UAH 259.2 million allocated for the national projects "Quality Water" and "Olympic Hope 2022", which were subsequently laundered through the purchase of land plots in Zakarpattia Oblast.

The specified assets (hundreds of land plots and infrastructure facilities) were recognised as physical evidence because they had been acquired through criminally unlawful means; court rulings imposed seizures on them and transferred them to ARMA for management.

Later, on 05.07.2024, the High Anti-Corruption Court delivered a judgment in which paragraph 14 determined that the funds received by ARMA from the sale of the specified real estate objects, as well as accrued interest, were to be transferred to the special account of the National Bank of Ukraine to support the Armed Forces of Ukraine.

This concerns assets belonging to LLC "Borzhava Development", LLC "Borzhava Invest", LLC "Borzhava Land", LLC "Dumka", LLC "Taurus Invest", LLC "Taurus Land" and LLC "Taurus Property" (including the ski lift stations). The sale of the property and the allocation of funds for defence needs are carried out with the voluntary notarised consent of the asset owners within plea agreements.

Earlier in the judgment, it was stated that if ARMA did not sell the seized land plots within 12 months from the date when the judgment entered into force, the defence would have the right to initiate cancellation of the judgment. In that case, the prosecutor would be obliged to file the relevant motion with the court, and cancellation of the judgment would entail an obligation to return the funds paid as compensation for damages in the amount of UAH 259.2 million. Failure to fulfil this obligation would be regarded as a breach of the terms of the plea agreement¹⁴.

At the same time, despite the fact that the sale of the specified land plots lasted almost one year and three months, the judgment was not cancelled.

¹³ <https://surl.li/yrzimj>

¹⁴ <https://reyestr.court.gov.ua/Review/120221287>