



Republic of Serbia  
**COMMISSION FOR  
PROTECTION OF  
COMPETITION**

25/IV Savska Street, Belgrade

Number: 6/0-03-430/2023-1

Date: March 24, 2023

President of the Commission for Protection of Competition, pursuant to Article 35 paragraph 2 and Article 62 paragraph 1 of the Law on Protection of Competition (“Official Gazette of the Republic of Serbia”, number 51/09 and 95/13), on March 24, 2023 brings the following

### **CONCLUSION**

**I Ex officio PROCEEDINGS ARE HEREBY INITIATED** against the business company **HOTELSKO, UGOSTITELJSKO I TURISTIČKO PREDUZEĆE MOSKVA DOO BEOGRAD (STARI GRAD)**, seated at Balkanska 1, Belgrade, registration number 06932614, represented by the legal representative, director Ivan Bastaja, for the purpose of investigating the concentration that was carried out even though it was not approved in accordance with the Law on the Protection of Competition, which, according to the well-founded assumption, resulted from the above-mentioned company's acquisition of control over the operations of the Hotel "Tonanti" in Vrnjačka Banja, at 2 Svetog Save Street, which may represent an independent business entity.

**II ALL PERSONS** having documents or other relevant information that can contribute to establishing the factual situation in this procedure **ARE HEREBY INVITED** to submit them at the address of the Commission for Protection of Competition, 25 / IV Savska Street, Belgrade.

**III** This decision shall be published in the “Official Gazette of the Republic of Serbia” and webpage of the Commission for Protection of Competition.

### ***Rationale***

Based on publicly available data published on the Internet, the Commission for the Protection of Competition (hereinafter: The Commission) came to know that the business company **HOTELSKO, UGOSTITELJSKO I TURISTIČKO PREDUZEĆE MOSKVA DOO BELGRADE (STARI GRAD)**, with its headquarters at the address 1 Balkanska Street, Belgrade, registration number 06932614, represented by the legal representative, director Ivan Bastaja, whose majority is registered under the activity "hotels and similar accommodation" (hereinafter: **MOSKVA**) took over the operation of Hotel "Tonanti" in Vrnjačka Banja, at 2 Svetog Save Street, which can represent an independent business unit (hereinafter:

Hotel Tonanti).

Upon inspection of the official internet presentation of RADIO TELEVIZIJE VRNJAČKA BANJA (VRT – Vrnjačka Radio Televizija), and based on the statement given to this television by the natural person Mile Dragić, it was established that Mile Dragić, who is otherwise the owner of the Hotel "Moskva" in Belgrade and the Hotel "Club A" on Kopaonik became the new owner of Hotel "Tonanti" in Vrnjačka Banja.<sup>1</sup> This news was also confirmed by the newspaper "Vrnjačke novine", which was published on the internet presentation of this newspaper<sup>2</sup>.

The Commission, by inspecting the official *LinkedIn* account, i.e. the profile of Hotel "Moskva" opened on this business social network, determined that Hotel "Tonanti" in Vrnjačka Banja "has recently been operating as part of HUTP Moskva doo", headquartered in Belgrade<sup>3</sup>. The Commission, having inspected the *YouTube* channel of the manager of Hotel "Tonanti" - Mijodrag Stojsavljević, determined that Hotel "Tonanti" had a new owner and that it operates within "the company owned by Hotel "Moskva" and Hotel "Club A" in Kopaonik", as stated in the statement of the manager of Hotel "Tonanti"<sup>4</sup>. By inspecting the *Facebook* page of Hotel "Tonanti", the Commission determined, based on the statement of the then director of Hotel "Tonanti", Aleksandar Gvozdić, in a post dated November 8, 2022, that there was a change in the management of this hotel.<sup>5</sup>

Upon inspection of the General Terms and Conditions of Hotel "Tonanti", published on the website of this hotel, the Commission determined that the company VEMIDA d.o.o. Beograd, seated at Terazije 32, Belgrade, ID number 21824542, whose main registered activity is "hotels and similar accommodation" (hereinafter: VEMIDA), does apply the said terms of operation.<sup>6</sup> A search of the archived web pages of the Hotel "Tonanti" revealed that the General Terms and Conditions of the Hotel "Tonanti", before the company VEMIDA, were applied by the Tonanti doo Beograd company, seated at 310 Vojvode Stepe Street, Belgrade, ID number 21214027 (hereinafter: Tonanti).

The sole owner of the company VEMIDA is the company MOSKVA, and the real owner of these two companies is the natural person Mile Dragić, which was determined by means of inspection of the Business Registers Agency of the Republic of Serbia - Central Records of Beneficial Owners. The commission also established that the company MOSKVA is the owner of Hotel "Moskva" in Belgrade and Hotel "Club A" in Kopaonik. These two companies are under the control of Mile Dragić.

By reviewing the publicly available data on the website of the Business Registers Agency, the Commission established that on November 14, 2022, the majority, i.e., the beneficial owner of the company VEMIDA became the company MOSKVA (with a share of 90%) and that as the legal representative of the company VEMIDA, Mijodrag Stojsavljević was appointed, whose authorization for representation is limited by the co-signature of Mile Dragić. This change was made based on the registration application that was submitted on November 8, 2022, the same

---

<sup>1</sup> See <http://rtvvrnjackabanja.com/mile-dragic-ekskluzivno-za-vrt-o-planovima-u-vrnjackoj-banji/>, Mile Dragić exclusively for VRT about plans in Vrnjačka Banja, last accessed on March 20, 2023. The news about the change of owner of the Hotel "Tonanti" was also confirmed in the second part of RADIO TELEVISION VRNJAČKA BANJA news - [https://www.youtube.com/watch?v=r2zlv\\_EC9fQ](https://www.youtube.com/watch?v=r2zlv_EC9fQ), PRILOG VRT - POPUSTI ZA VRNjČANE u „TONANTIJU“, last accessed on March 20, 2023.

<sup>2</sup> See <https://vrnjackenovine.net/vrnjacke/2023/03/gala-vecera-u-hotelu-tonanti/>, GALA DINNER in HOTEL "TONANTI", last accessed on March 20, 2023.

<sup>3</sup> See <https://rs.linkedin.com/company/hotel-moskva>, (announcement from three months ago, within the post looking for a sales manager at the "Tonanti" Hotel), last accessed on March 20, 2023.

<sup>4</sup> See <https://www.youtube.com/watch?v=awMNxewkBTI>, „Hotel Tonanti Vrnjacka banja“, last accessed on March 20, 2023.

<sup>5</sup> See <https://www.facebook.com/tonantihotel/photos/a.673370106512637/1527072614475711/>, last accessed on March 20, 2023.

<sup>6</sup> See <https://hoteltonanti.rs/rs/pocetna/opsti-uslovi.html>, last accessed on March 20, 2023.

day when it was announced on the *Facebook* page of Hotel "Tonanti" that there was a change in the management of this hotel. The other owner of the VEMIDA company was a natural person, Vesna Zorić.

On December 20, 2022, VEMIDA DOO BEOGRAD (STARI GRAD) OGRANAK VRNJAČKA BANJA was registered as a branch office of the company VEMIDA in the Business Registers Agency, seated at 2 Svetog Save Street, Vrnjačka Banja (at the same address as the Hotel "Tonanti"), whose main activity is "hotels and similar accommodation" and whose representative is Mijodrag Stojsavljević, with the same limitation by the co-signature of Mile Dragić. On February 20, 2023 as the sole owner of the VEMIDA company, the company MOSKVA has been registered.

On January 16, 2023, MOSKVA DOO BEOGRAD OGRANAK was registered in the register of the Business Registers Agency as a branch office of the company MOSKVA, with headquarters at 2 Svetog Sava Street, Vrnjačka Banja, whose predominant activity is "hotels and similar accommodation" and whose representative of Ivan Bastaja, limitation by the co-signature of Mile Dragić.

In addition to the companies VEMIDA and MOSKVA, the natural person Mile Dragić also controls the following companies (according to data arising from the financial statements published on the website of the Business Registers Agency):

1. PROIZVODNJA MILE DRAGIĆ DOO ZRENJANIN, seated at 11 Makedonska Street, Zrenjanin, ID number 08669961, whose main registered activity is "production of other plastic products", in which Mile Dragić has a 100% share,
2. MIP AKCIONARSKO DRUŠTVO ZA MONTAŽNO INSTALATERSKE POSLOVE, ZRENJANIN - U LIKVIDACIJI (in liquidation), Kamnička bb, Zrenjanin, registry no. 08159416,
3. MIP INŽENJERING DRUŠTVO SA OGRANIČENOM ODGOVORNOŠĆU ZA PROIZVODNJU TRGOVINU I USLUGE ZRENJANIN - U LIKVIDACIJI (in liquidation), Kamnička bb, Zrenjanin, registry no. 08700044,
4. Netwest Finance SA with registered office at 60 Market Square, Belize City, Belize, registration number 40,454, the sole owner of which is the MOSKVA company,
5. Beta Energy LTD-Bugarska,
6. MEGA CITYTOUR DOO BEOGRAD, with headquarters at 1 Balkanska Street, Belgrade, ID number 20494166, whose activity is "travel agency activity" and whose sole owner is the company MOSKVA.

Mile Dragić also operates through PROIZVODNJA VINA PROIZVODNJA MILE DRAGIĆ DRAGIĆ MILE PR ZRENJANIN, an entrepreneur with headquarters at Novosadski put bb, Zrenjanin, ID number 51810236.

All companies that operate under the control of Mile Dragić are considered one market participant, in the sense of Article 5 of the Law on Protection of Competition ("Official Gazette of RS", no. 51/09 and 95/13, hereinafter: the Law).

Hotel "Tonanti" was opened in May 2019, on the site of the former Hotel "Slavija" in Vrnjačka Banja, and operated under the ownership and control of the business company Tonanti. Until 2017, the Tonanti company operated under the name MPSS RESORT doo Beograd. The company Tonanti had a branch office Tonanti DOO BEOGRAD OGRANAK VB TONANTI, with its headquarters at 2 Svetog Save Street, Vrnjačka Banja, whose predominant activity is "hotels and similar accommodation". This branch office was deleted from the registry on March 8, 2023. The owner of the Tonanti company is a natural person - Darko Đurović. The

commission also determined that this company was in bankruptcy in the period from October 19, 2022 to November 16, 2022.

According to the above, it can be reasonably assumed that there was a change in the person exercising control over the operations of Hotel "Tonanti", i.e. that the transaction in question by which the company MOSKVA took over the operation, i.e. became the owner of this hotel, represents a concentration that was carried out without the approval of the Commission, which resulted from the acquisition of individual control by the company MOSKVA, and indirectly by the natural person Mile Dragić, over the operations of the Hotel "Tonanti", in the sense of Article 17, paragraph 1, item 2) of the Law.

By inspecting the publicly available annual financial statements, posted on the website of the Business Registers Agency, the Commission determined the total revenues that were generated in the Republic of Serbia in the accounting year 2021, as the previous accounting year in terms of the Law, by companies that are under the control of the natural person Mile Dragić, as well as the Tonanti company, i.e. Hotel "Tonanti". When determining the income of the Hotel "Tonanti", the Commission had in mind the income that the company Tonanti achieved from the "sale of products and services on the domestic market".

When assessing the existence of the obligation to report the concentration in question, the Commission concluded that the total annual income of the group of companies under the control of Mile Dragić and Hotel "Tonanti" (as a participant in the concentration), realized on the market of the Republic of Serbia, was greater than 20 million euros in the previous accounting year, whereas each of the participants - both Mile Dragić's group and Hotel "Tonanti", in the market of the Republic of Serbia have an income of more than one million euros in the same period.

Based on all of the above, the Commission rightly assumed that the conditions from Article 61 of the Law relating to the total annual income of the participants in the concentration were met, and that the company MOSKVA had the obligation to report the concentration that resulted from the takeover of the business of the Hotel "Tonanti", i.e. control over this hotel and its operations.

By inspecting its own records, the Commission determined that the aforementioned concentration had not been reported thereto for examination in accordance with the Law, until the date of this conclusion.

In the proceedings in question, the Commission will determine whether there has been a concentration within the meaning of the Law, i.e. the ownership structure and form of control of the participants in the concentration over which control has been acquired, prior to and following the implementation of the concentration, as well as a detailed description of the form of concentration. In the proceedings concerned, the Commission will investigate whether the party has acted in violation of Article 61 and 63 of the Law as well as the permissibility of this merger under Article 19 of the Law which stipulates that the concentrations between undertakings are permitted, unless they significantly restrict, distort, or prevent competition on the market of the Republic of Serbia or its part, and especially if that restriction, distortion, or prevention is the result of creating or strengthening of a dominant position. In the course of the proceedings, the Commission will undertake all the necessary evidence collecting activities, in order to properly establish the factual situation in accordance with the Law, including important facts, evidence and other elements on which it will base its decision regarding the possible determination of a measure to protect competition, i.e. other measures in accordance with the Law.

In line with Article 68, paragraph 1, item 4 of the Law, the market participant is imposed a measure of competition protection, in the form of an obligation to pay a sum of money in the

amount of no more than 10% of the total annual income, realized in the territory of the Republic of Serbia and calculated in accordance with Article 7 of the Law, if implementing the concentration contrary to the obligation of suspension in terms of Article 64 of the Law, i.e. for which the approval for the implementation of concentration has not been issued, in terms of Article 65 of the Law. In line with Article 67 of the Law, should the Commission determine that a concentration for which approval has not been granted has been implemented, it may issue a decision imposing on the participants in the concentration the measures necessary to establish or preserve competition on the relevant market (deconcentration measures) and order the participants to divide the company, alienate shares or stakes, terminate the contract or perform other actions in order to restore the situation before the implementation of the concentration.

Provision of Article 35 of the Law prescribes that the Commission initiates the procedure of investigation of competition violation ex officio, when, based on submitted initiatives, information and other available data, it can be presumed the existence of competition infringement, as well as in terms of concentration examination, in line with Article 62 of the Law.

Article 62, paragraph 1 of the law sets forth that the Commission may, upon learning about the implemented concentration, conduct an examination of the concentration should it determine that the joint market share of the participants in the concentration on the market of the Republic of Serbia amounts to at least 40%, i.e. if it is reasonably assumed that the concentration does not meet the conditions of permissibility referred to in Article 19 of the Law, as well as in case of other contraction not granted in line with the Law.

Pursuant to Article 35, paragraph 1 and Article 62, paragraph 1 of the Law, decision has been made as stated in the paragraph I of the wording of this Conclusion.

Pursuant to Article 35, paragraph 2 of the of the Law, decision has been made as stated in paragraph II of the wording of this Conclusion.

Pursuant to Article 40, paragraph 1 of the of the Law, decision has been made as stated in paragraph III of the wording of this Conclusion.

### **Legal remedy:**

A separate appeal shall not be allowed against this Conclusion, but it may be disputed in the administrative procedure by filing an appeal to the Administrative Court against the final decision of the Commission in this administrative matter.

**PRESIDENT OF THE COMMISSION**

Nebojša Perić, m.p.