

Uzbek Subsidiary of MTS to Be Sold at Auction

By [The Moscow Times](#)

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The bankrupt Uzbek branch of Russian mobile operator MTS will be sold at an auction in July, following a decision taken by the company's creditors, a news report said Tuesday.

Uzdundrobit, which was declared bankrupt in April, will be auctioned on July 1 at a starting price of \$289 million. Bids will be accepted up until June 29, Interfax reported.

Industry regulators initiated an inspection of the company and a case was opened against its managers for operating without a license and avoiding paying taxes in June 2012.

In September 2012, four of Uzdundrobit's managers were sentenced to various prison terms and ordered to pay fines by the court.

The company was also forced to cease its operations by state inspectors, leaving 9,5 million users without network.

Uzbek authorities earlier ordered MTS to pay penalties of over \$1 billion, an amount equaling the company's total investment in the country.

However, the company won a small victory in the Tashkent court of appeal in November, which canceled the decision of the lower court to nationalize the company's property. The financial penalties were also reduced to \$600 million, and can be paid in installments over an 8 month period.

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