

PROBLEMS IN THE FIELD OF AUCTIONS

An auction is a public sale of goods, securities, property of enterprises, works of art, and other objects, which is produced according to pre-established auction rules.

The order of its organization is clearly reflected in the legislation of the Republic of Belarus. There is also a system of fines for individual violations. If special legislation has not regulated the order of the auction for certain categories of asset, the general norms of civil legislation and the provisions of ordinance № 232 „On Certain Issues of Auctions (Tenders)“ are in effect [1]. But it should be noted that the regulatory documents of the Republic of Belarus are often changed, which indicates the imperfection of the legislative framework in this area and the desire to improve it. Confirmation of this imperfection is the presence of cases that on the one hand do not contradict the law, but on the other hand can obstruct the honest implementation of auction activities. Such cases can become a way of additional earnings.

Speaking about the benefits, it can be noted that the winner of the auction have to compensate the organizer of the auction for the costs of its tendering in accordance with the established procedure [2]. Thus, if the auction is successful, the organizer will incur expenses less than they could be.

Another problem is that the sale price of the assets at auction can significantly exceed the initial price or be much lower. This can be called as a kind of risk. It all depends on the value of the type of asset, on the formation by the seller of its initial price, marketing tools for finding buyers, which were used by the organizers of the auction. But the assets are not always sold at the first auction. A phased reduction in the price can be interested by more potential buyers. They will already form the final market value at the auction, so initially the price can be unreasonably inflated, which may contribute to additional income.

But to improve the legislation there is the Law of the Republic of Belarus „On Enforcement Proceedings“, which allows bailiffs to form the initial price based on the liquidation value of the auction item. This evolutionary approach to the formation of the initial price speeds up the sale and brings to the fore elements of marketing and the search for potential buyers. One of the advantages of auctions is the ability to organize them both in online and offline formats. In connection with the intensive development of technologies the organization of auctions requires subsequent modernization both to maintain their relevance and to exclude monopolization of this sphere.

Thus, the ways for further development of auction activities can be the introduction, development and improvement of payment instruments for settlement between the seller and the buyer and auction digital marketing, auction digital marketing, which allows you to quickly convey information about the sale to potential buyers, the general availability of information on existing encumbrances,

automation of registration and registration of transactions, development of new types of tenders suitable for the sale of property for various purposes, introduction of simple and effective forms of identification of bidders, including non-residents of the Republic of Belarus.

In a nutshell the current degree of formation of auctions is imperfect and is characterized by the presence of both advantages and disadvantages, which can lead either to the development of this sphere or to degradation in general. But when using the above methods of modernization, the organization of auctions can become a favorable potential field for extracting benefits from them.

References

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2. Общие правила проведения торгов [Электронный ресурс] // Торговая площадка. — Режим доступа: <https://torgi.gov.by/info/auction-rule>. — Дата доступа: 24.11.2022.