

Net Element International, Inc.
 Form 4
 October 18, 2013

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Piovanetti Francesco

2. Issuer Name and Ticker or Trading Symbol
 Net Element International, Inc.
 [NETE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 48 ROAD 165, SUITE 6000,, CITY VIEW PLAZA II

3. Date of Earliest Transaction (Month/Day/Year)
 08/01/2013

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

(Street)
 GUAYNABO, PR 00968-8060

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	08/01/2013		P	920 ⁽¹⁾ <u>(2)</u> A \$ 6.451	1,155,520 ⁽³⁾	I	See Foonotes <u>(1)</u> <u>(2)</u> <u>(3)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Warrants	\$ 7.5					04/01/2013 10/02/2017	Common shares	3,714,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Piovanetti Francesco 48 ROAD 165, SUITE 6000, CITY VIEW PLAZA II GUAYNABO, PR 00968-8060			X	

Signatures

/s/ Francesco Piovanetti 10/18/2013

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) These shares of common stock, par value \$0.0001 per share, of the Issuer (the "Shares") are held by Arco International Group LLC, a Puerto Rico limited liability company ("AIG").
- Mr. Piovanetti is the ultimate beneficiary of AIG and has voting control, investment discretion and dispositive power over the Shares held by AIG. As a result of the foregoing, Mr. Piovanetti may be deemed to have beneficial ownership (as determined under Section 13(d) of the Securities Exchange Act of 1934, as amended) of the Shares held by AIG.
- (3) Mr. Piovanetti is the ultimate beneficiary of 1,155,520 Shares consisting of: (i) 1,150,000 shares of common stock held by Arco Group LLC ("Arco Group"); (ii) 4,600 shares of common stock held by Bond Street Management LLC; and (iii) 920 shares of common stock held by AIG. Mr. Piovanetti has a majority, controlling interest in Arco Group and, consequently, Mr. Piovanetti has voting control, investment discretion and dispositive power over the shares held by Arco Group. Mr. Piovanetti owns 25% of the outstanding equity interests in Bond Street Management LLC and he has voting control, investment discretion and dispositive power over the shares held by Bond Street Management LLC.
- (4) Mr. Piovanetti is the ultimate beneficiary of 3,714,000 warrants of the Issuer with an exercise price of \$7.50 per share and an expiration date of October 2, 2017, which are held by Arco Group.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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