

Piovanetti Francesco
 Form 3
 October 12, 2012

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Piovanetti Francesco | | (Month/Day/Year) | Net Element International, Inc. [NETE] | |
| (Last) | (First) | (Middle) | 10/02/2012 | |
| BBVA BUILDING, P1, 254 | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| MUNOZ RIVERA AVENUE | | | | |
| (Street) | | | (Check all applicable) | |
| SAN JUAN, PR 00918 | | | <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | (give title below) (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | Chief Executive Officer | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---------------------------------|---|--|---|
| Common Stock | 1,150,000 ⁽¹⁾ ₍₃₎ | I | See Footnotes ⁽¹⁾ ₍₃₎ |

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

SEC 1473 (7-02)

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

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|--|--|---|
|--|--|---|--|--|---|

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| | Date Exercisable | Expiration Date | Amount or Number of Shares | or Indirect (I) (Instr. 5) | | |
|----------|------------------|-----------------|--|----------------------------|---|--|
| Warrants | 04/02/2013 | 10/02/2017 | Common Stock 3,714,000 <u>(2)</u> <u>(3)</u> | \$ 7.5 | I | See Footnotes <u>(2)</u> <u>(3)</u> |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Piovanetti Francesco BBVA BUILDING, P1 254 MUNOZ RIVERA AVENUE SAN JUAN, PR 00918 | Â X | Â | Â Chief Executive Officer | Â |

Signatures

/s/ Francesco Piovanetti
10/12/2012

__Signature of Reporting Person
Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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 Group LLC, a Puerto Rico limited liability company ("Arco Group").
 - (2) These warrants of the Issuer (the "Warrants") are held by Arco Group.
- Mr. Piovanetti has a majority, controlling interest in Arco Group. Consequently, Mr. Piovanetti has voting control, investment discretion and dispositive power over each of the Shares and the Warrants held by Arco Group. 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 each of the Shares and the Warrants 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.