



March 2022

# Inside the matrioska: the firms controlled by sanctioned 'oligarchs' across European regions and sectors

This analysis is part of [TOM – The Ownership Monitor](#), a joint-initiative by Transcrime and its spin-off Crime&tech

*Authors: Giovanni Nicolazzo, Michele Riccardi and Antonio Bosisio*

*ISBN: 978-88-99719-36-4*



*There are almost 31 thousand firms in Europe with Russian beneficial owners. 1400 of them are controlled by 33 individuals subject to recent sanctions – the so-called 'oligarchs'. Real estate, construction, hotels, the financial and energy sector prevail. In terms of countries, Germany, United Kingdom, Cyprus, the Netherlands, Luxembourg and Austria host most of oligarchs' firms. The value of these firms is higher than 440 billion US dollars (total assets, book value).*

The conflict between Russia and Ukraine - and the sanctions issued by Europe and several countries worldwide against Russia - raise the question of how much exposed is the European economy towards Russian firms and investors.

Answering this question requires combining a set of statistics in the trade domain (e.g. in terms of import from or export to Russia) and in the financial domain (for example looking at inward/outward foreign direct investments). A study, published few years ago by CSD and CSIS, already provided a first answer, and also tried to identify the 'enablers' - intermediaries bridging between the Russian and the European economy.

But other key statistics are those related to the amount of European firms owned by Russian entities. This information has become even more important with the widening of the sanctions issued against the so-called 'oligarchs', which have brought to the freezing of many Russian-owned assets - real estate properties, yachts, vessels, and, in fact, company shares.

Transcrime, the joint research centre of the Università Cattolica, and its spin-off Crime&tech, have launched since 2021 a research hub on corporate ownership. It is called [TOM – The Ownership Monitor](#), and it collects a variety of studies and research projects through which we have been monitoring the opacity of firms in Europe and beyond, and the anomalous patterns of shareholders and beneficial owners, both to assess the risk that these anomalies may conceal financial crimes, and to understand key trends at geo-political level.

By leveraging on the results of few projects of this observatory - in particular EU co-funded projects [DATACROS](#) and [EBOCS](#) - and on the investigation tools we have developed, it is possible to draw a map of the European firms under Russian control - and a first map of those controlled by sanctioned 'oligarchs'. Before doing that, it is necessary to make few premises.

First, not all the shares held by Russians are related to sanctioned individuals or entities: the largest majority pertains to individuals or entities who have not been sanctioned. More specifically, the identified firms owned by sanctioned 'oligarchs' represent 3.1% of all the firms owned by Russian individuals in Europe. In the light of a constructive economic dialogue, it is important to stress and maintain the distinction between those Russian investors who have been sanctioned, and those who have been not.

The second premise is that this map is a proxy, not necessarily representative, because some Russian individuals may control firms through local nominee shareholders or by exposing a visa received by some EU country in the framework of some 'golden visa' programme.

The third is that the level of transparency across European countries is not the same: it could be that countries not so much exposed to Russian control are simply those for which information on corporate ownership is lowest. In any case, usually data on firm owners are available only for limited companies. While for other legal forms (e.g. unlimited companies or cooperatives) it is more difficult to trace back the nationality of company owners.

And finally, the same Russian company law is under rapid revision and will soon lead to an even lower level of corporate transparency. In other words: it will be increasingly difficult, and probably not possible, to know who are the owners of a Russian firm.

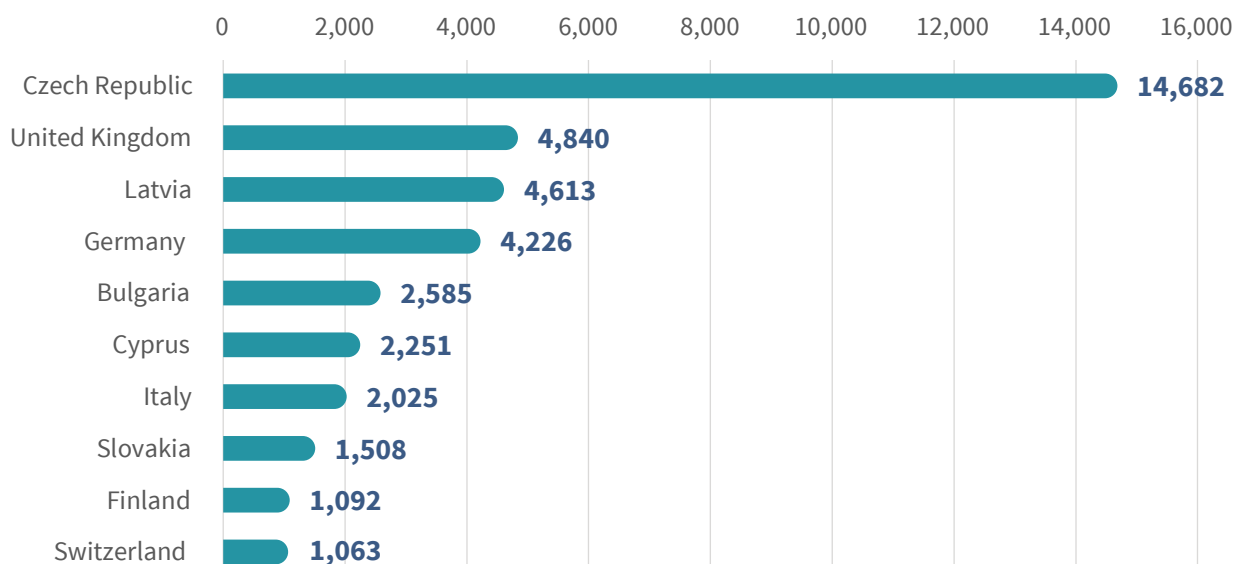
In conclusion, the results here reported are very likely an underestimation; how much lower than the actual volume, it is difficult to assess.

## Russian beneficial owners

According to the [DATACROS](#) project, the Russian individuals appearing on top of the ownership chain of firms in the European Union, in United Kingdom and Switzerland are almost 44 thousand (to identify them, we have taken all the direct and indirect shareholdings higher than 5% of the share capital at each ownership level, by processing Bureau van Dijk ORBIS data).

The highest number can be observed in the Czech Republic (almost one third), followed by United Kingdom (11%), Latvia, Germany, Bulgaria and Cyprus.

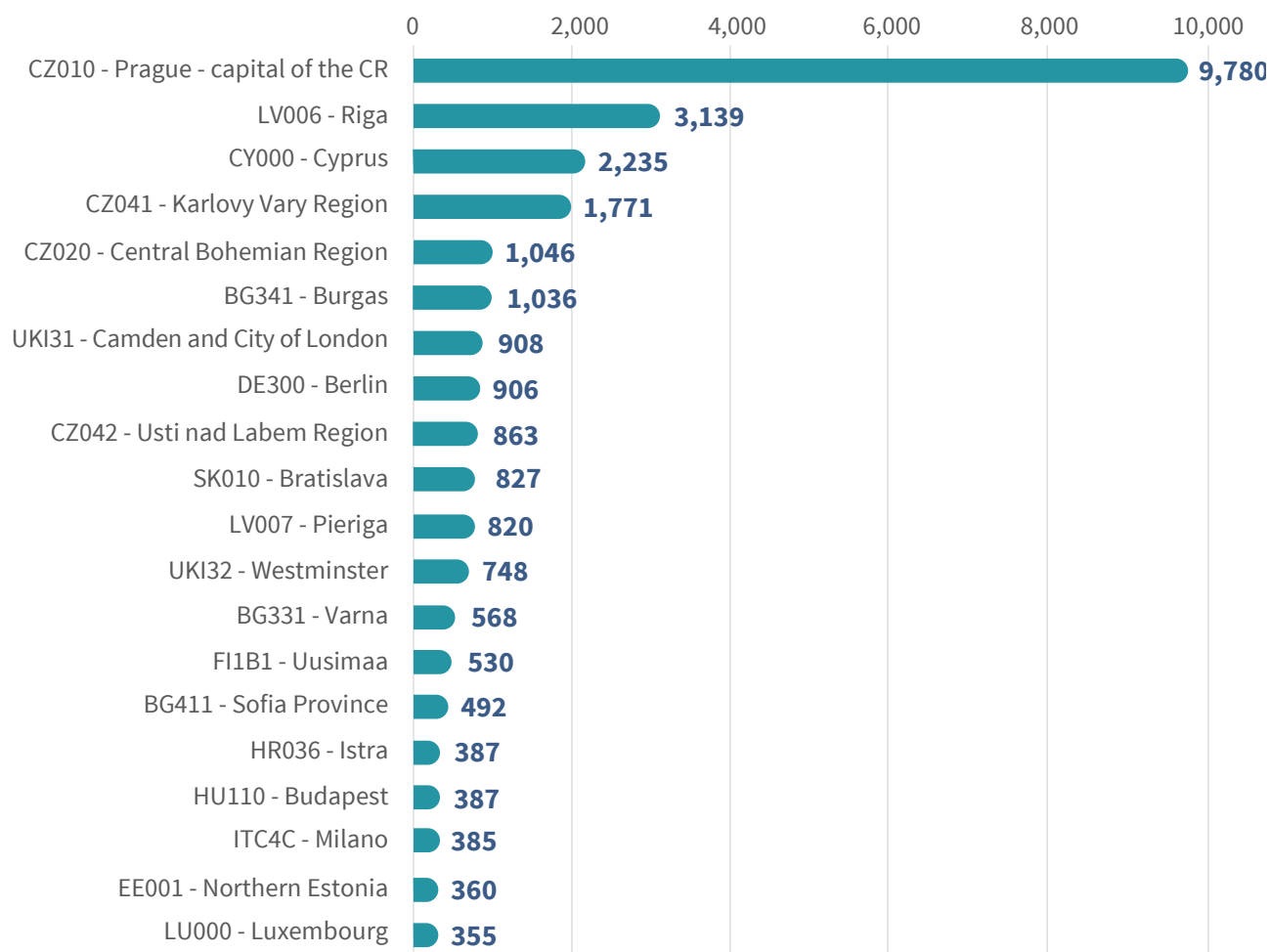
**Figure 1. Number of Russian beneficial owners, by country - Top 10 countries in Europe**



This data is confirmed by another project of ours - [EBOCS](#) – thanks to which we accessed the data from official registers of beneficial owners in some European countries (Estonia, Romania, Latvia, Spain). In Latvia, Russians are the first foreign nationality, in particular in the construction, real estate and hotel and restaurants sector. They are the second foreign one in Estonia.

As regards European regions, more than 10 thousand Russian entities are beneficial owners of firms registered in the area of Prague, and more than 3 thousand in the province of Riga, Latvia’s capital. Cyprus and other regions of the Czech Republic and Latvia follow. But between the City of London and Westminster there are more than 1600 Russian owners, in Berlin almost 1000, in Milan 400. This is the result of taking into account only those owners officially declared and appearing on registers.

**Figure 2. Number of beneficial owners by region/province in Europe. Top European regions**



### And in Italy?

In Italian firms, Russian BOs are about 2200. Milan province heads in terms of number of beneficial owners, followed by Rome, Brescia, Florence, Rimini and others.

The first three provinces do not surprise – these are also the areas, together with Turin and Naples, with the highest number of incorporated firms - while it is important to highlight the volume of Rimini, Como, Imperia and of some provinces of Veneto. The Romagna and the Riviera Ligure, as well as Como’s lake, have been historically a *buen retiro* of many Russian entrepreneurs, but also area of investment in the touristic, real estate, shipping and port sectors.

The Italian firms with Russian BOs are instead more than 1300. Milan, Rome, Florence and Brescia head up again.

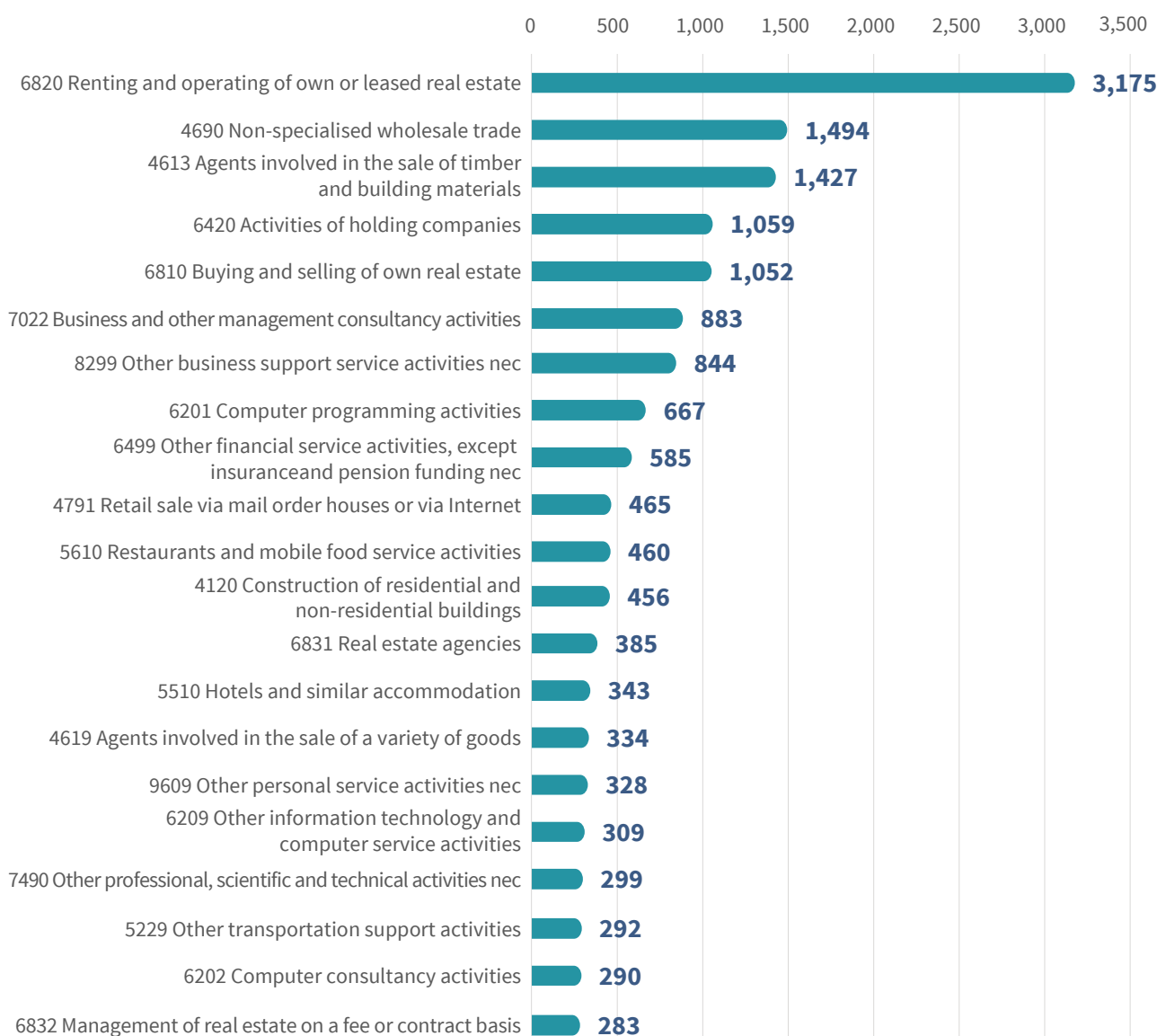
## Firms and business sectors with Russian ownership

When looking at companies, and not at the individuals on top of an ownership chain, according to DATACROS, the European firms having Russian individuals as ultimate owners are about 31 thousand.

The geographic distribution is more or less the same: Latvia ranks first (in some Latvian regions, the firms with Russian BOs represent more than 3% of all registered firms), Czech Republic, Cyprus (in which 1% of local firms have declared Russian BOs), but also Luxembourg and the areas of London and Berlin.

Among the sectors, at least in terms of number of shareholdings, real estate (the NACE division L.68) is prominent: it represents almost the 15% of all the firms controlled by Russian owners. This is another confirmation of how European properties are appreciated in Moscow or St. Peterburg. Wholesale and retail trade follow, and then financial holding activities, which in turn often control energy companies.

**Figure 3. Number of firms with Russian BOs, by sector (NACE group level)**



## Intermediaries

When Russian individuals are not direct owners of European firms, they exercise the control through holding companies registered in Cyprus, Germany, United Kingdom, Austria and Luxembourg, overall. Cyprus acts as intermediary jurisdiction for about 17% of all Russian shareholdings in Europe, Germany for about 12%. Generally speaking, Europe rules. The first non-EU countries are British Virgin Islands and the Cayman Islands – but they represent only about 2% of all intermediate links.

The role of Cyprus is interesting. It is a widely acknowledged transit port for many investments from Russia to Europe. The data provided by official registries analysed in project EBOCS highlight that Cyprus is the headquarter of most of the (foreign) firms controlling companies in the construction, real estate, restaurant/hotel and gambling firms in Romania and Latvia. Do they veil Russian investors only? Not necessarily.

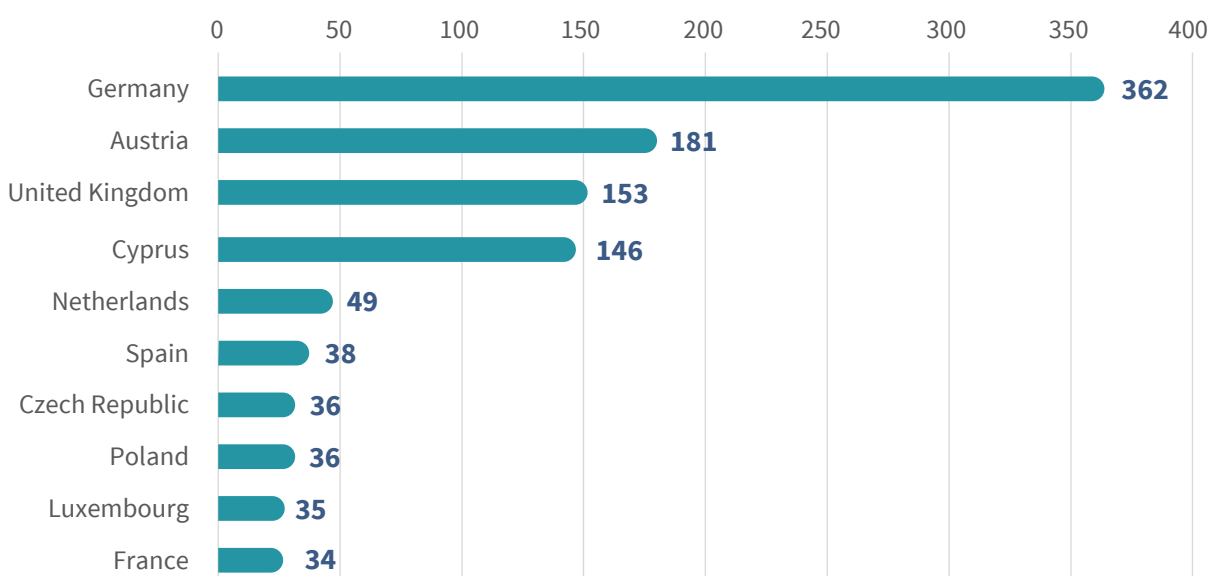
## Oligarchs

But let's focus on the so-called 'oligarchs', namely the individuals sanctioned by the several countries worldwide in these weeks as a consequence of the Russian – Ukrainian war. Thanks to DATACROS tool and Bureau van Dijk data we have been able to identify 33 'oligarchs' with (declared) shares in firms in the European Union, United Kingdom and Switzerland. They correspond to 1402 firms in which these individuals control at least 5% of the share capital, directly or indirectly (which means through other firms registered locally or abroad). The overall book value of these companies reaches nearly 440 billion US dollars (total assets, book value, last available year). This figure corresponds to the total firm's value, and not only to that of the shares held by the sanctioned Russian individuals.

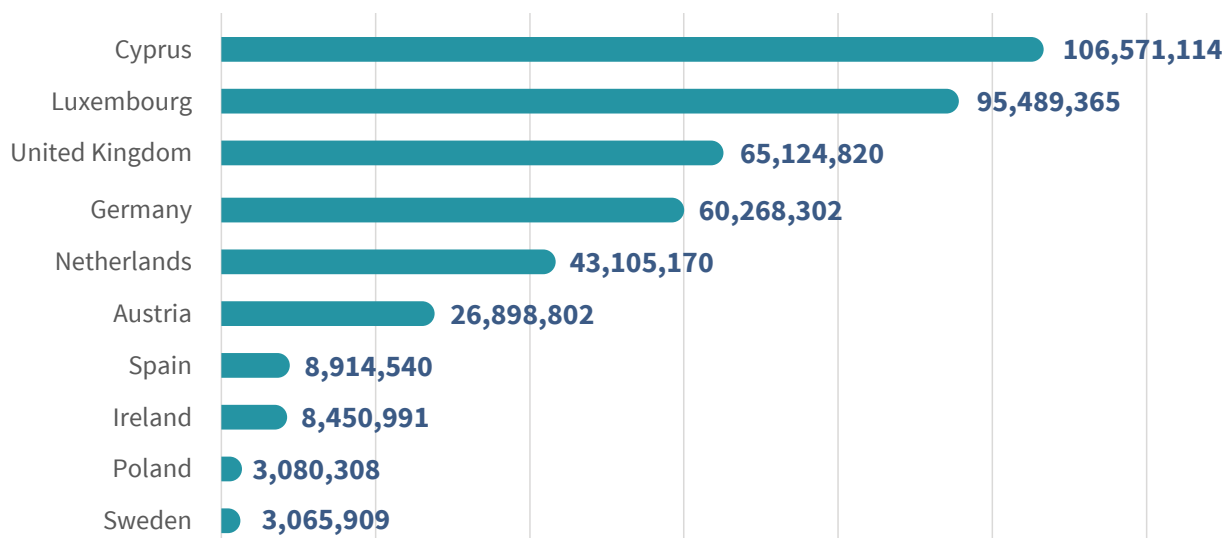
Most (362) of the firms owned by the identified oligarchs is located in Germany, followed by Austria, UK, Cyprus and the Netherlands. Looking at total assets, Cyprus ranks first (106 billion US dollars), followed by Luxembourg (95), United Kingdom, Germany and the Netherlands.

Among the sectors, financial services and holdings (NACE division K.64) prevail, followed by business consultancy, and firms in the touristic, construction and real estate sector. These businesses represent about 50% of all the oligarchs' firms in Europe. If we look at the assets' value, natural gas extraction also emerges.

**Figure 4. Oligarchs' firms, by country in terms of number - Top 10 European countries**



**Figure 5. Oligarchs' firms, by country in terms of total assets (thousands US dollars, book value, last available year). Top 10 countries**



What about Italy? We have identified 34 firms in which some shares are held by individuals under sanctions. They represent overall 2.5 billion US dollars in terms of total assets (book value, see above). Among the sectors, tourism prevails, followed by restaurants and hotels, and construction (at least 5 companies between the province of Bologna and Ravenna), and, to a lower extent, in the energy sector.

To be noted this is not the final and complete list of all the oligarchs' firms: the list of sanctioned individuals is constantly changing, and it is not always easy to identify them in business registries. To produce a full picture of oligarchs' assets would require time, but this preliminary map is a good proxy.

### ***Oligarchs and corporate anomalies***

Interestingly, the European firms in which the sanctioned oligarchs have capital shares show, on average, much higher volume of corporate anomalies than their peers.

For example, on the basis of the risk indicators developed by Crime&tech, they have a level of corporate ownership complexity which is much higher than the European mean. They show, on average, 5.9 entities in their corporate structure (against 0.5 of the European mean), and 2 layers of intermediate firms which veil the beneficial owners (in Europe the average is 0.15, which means almost direct control with no intermediation).

Also, these 1402 firms show in their corporate structure 207 trusts and fiduciaries: the use of these legal arrangements is almost 15 times higher than what can be observed at European level. And among the entities in their corporate structure, about the 4% is registered in countries included in the anti-money laundering grey list published by FATF/GAFI (list of "jurisdictions under increased monitoring"), against the 0.3% of the European average. A confirmation of the preference of Russian oligarchs (but also of their company partners, including European ones) for complex and opaque corporate ownership structures which do not make it easy to identify who is behind.

Finally, in these firms' corporate structures we could identify 30 beneficial owners and 291 intermediate entities which had been already mentioned in some journalistic leaks such as Panama Papers or Pandora Papers. A symptom that more than one red-flag was present on these firms even before the western sanctions (and a confirmation of the ability of our risk indicators to spot anomalies in corporate structures before having evidence of sanctions or enforcement measures).

## Conclusions

In summary, this preliminary map confirms some important elements. First, most of the western countries on the war front (at least on the economic one) are in fact privileged headquarters of thousand of firms and holdings controlled by Russian oligarchs under sanctions. The hunting against oligarchs started in these weeks comes after years of friendly partnership with these entrepreneurs – if not fatal attraction.

Second, the countries which host most of the firms controlled by oligarchs are those which, according to previous research of ours (and of other scholars), are historically characterised by lower corporate transparency, and often favourable tax regimes: Cyprus, United Kingdom, the Netherlands, Luxembourg, Austria and (at least in terms of corporate opacity) Germany.

Third, more than one red-flag (which may sound ironic) was waving on oligarchs' firms before the sanctions issued due to the Russian-Ukrainian war, either in terms of mentions in offshore leaks, unjustified corporate complexity, use of opaque legal arrangements or greylisted jurisdictions. Which means that these firms could have raised already alerts among competent and supervisory authorities before the recent events.

The results confirm that one of the most powerful weapons to strengthen democracies, everywhere, is the transparency of business registries and of the corporate domain. Not only in Russia, but first of all in the same European countries. Analyses and initiatives such as those we carry out with [TOM – The Ownership Monitor](#) help us not only to understand 'who are our owners', but also to understand what are the geo-political implications of this ownership map, and whether this control is exercised through anomalous or opaque corporate structures, so as to determine whether it should deserve enhanced due diligence or further investigation.



UNIVERSITÀ  
CATTOLICA  
del Sacro Cuore

[Transcrime](#) is the Joint Research Centre on Transnational Crime of the Università Cattolica del Sacro Cuore. Founded in 1994, it is one of the largest research hubs in Europe in the field of studies on organised crime, financial crime, money laundering.



UNIVERSITÀ  
CATTOLICA  
del Sacro Cuore

[Crime&tech](#) is its spin-off company. It translates Transcrime research into tools, models, risk, indicators for supporting investigation, intelligence, risk assessment and prevention, in both the public and private sector.



[TOM – The Ownership Monitor](#) is a joint-initiative launched by Transcrime and Crime&tech to carry out advanced analyses and develop tools to monitor who control firms, how control of firms takes place and evolves, and how it relates to crime and security risks.