



# Memorandum on the Corporate Control Conflict, Criminal Proceedings, and Transnational Asset Reallocation Concerning PJSC TogliattiAzot

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## I. Executive Summary

This memorandum concerns the long-running corporate conflict surrounding PJSC TogliattiAzot (“TOAZ”), one of the world’s largest ammonia producers and a strategically significant chemical enterprise in the Russian Federation. According to the materials reviewed, the dispute evolved from a shareholder and control conflict into a broader pattern of criminal, civil, insolvency, and asset-related measures directed not only at the company’s former controlling interests, but also at former senior management and affiliated structures. The documentary record presents the TOAZ matter as a case in which corporate governance disputes were progressively transformed into legal and quasi-legal instruments capable of altering control over the enterprise and redistributing related assets.

The materials identify TOAZ as a major industrial producer of ammonia and urea, with longstanding international commercial operations and a logistics model of particular strategic value. The company’s significance derived not only from production volume, but also from its access to export infrastructure, including ammonia transport arrangements linked to cross-border delivery routes and maritime shipping. Prior to the change of control in late 2021, the company is described in the record as financially strong, commercially active, and operating through pricing structures based on market indicators and formula-based mechanisms that were standard in international trade practice. For the first nine months of 2021, TOAZ reportedly generated net profit in the tens of billions of rubles, a fact relied upon in the materials to challenge later narratives portraying the company’s prior governance model as economically abusive or inherently loss-making.

The broader shareholder background described in the materials reflects a conflict between the historical controlling block associated with BKIT and minority interests associated with Uralchem and related structures, including Eurotoaz. The chronology provided indicates that this conflict did not arise abruptly in 2021, but rather developed over a number of years through repeated civil claims, registry-related disputes, allegations concerning ownership rights, and efforts to challenge the corporate and transactional structure through Russian courts and regulatory mechanisms. In the account reflected in the materials, these proceedings increasingly moved beyond ordinary minority-shareholder protection and became part of a sustained effort to weaken the controlling shareholders’ position, impair the value of the controlling stake, and create pressure capable of facilitating a transfer of corporate control on distressed terms. The Irish proceedings referenced in the dossier are presented as particularly significant because they frame the dispute not merely as a domestic Russian shareholder disagreement, but as an alleged coordinated scheme involving multiple jurisdictions and corporate vehicles.

A decisive turning point identified throughout the file is the change of corporate control on 27 November 2021. The reviewed materials consistently state that, at an extraordinary general meeting of shareholders held on that date, the powers of the existing Board of Directors were terminated ahead of schedule, a new Board was elected, and the company’s managerial configuration was altered. The analytical documents characterize this event as the moment at which actual and operational control over TOAZ passed to a new corporate structure. From that point onward, the former senior management ceased to participate in corporate governance, and the subsequent legal actions described in the dossier are repeatedly tied to this transfer of control. The materials treat the timing as legally and analytically important: the central question is not simply that criminal cases existed, but that they intensified or were initiated after control had already shifted.

The accompanying chronology further suggests that the TOAZ control shift was linked to a broader redistribution of associated assets, including the related methanol business TOMET. The materials provided by the user describe the sequence in which earlier criminal and civil claims were followed by bankruptcy proceedings against TOMET, the displacement of prior management, the installation of a bankruptcy administrator allegedly connected to Uralchem's legal circle, and the eventual transfer of TOMET at a manifestly distressed value despite prior evidence of stable revenue and profitability. In parallel, the user's chronology describes the voting and sale mechanics by which the 70% block historically associated with BKIT was effectively displaced, including the intervention of a financial manager in the personal bankruptcy of Mr. Sergei Makhelai and the subsequent acquisition of the relevant shareholding through entities allegedly controlled by the same competing corporate group. Although those specific mechanics are not set out in equivalent detail in the three principal ARGGA overview documents, they are consistent with the dossier's overall conclusion that criminal, civil, and insolvency instruments were not operating in isolation, but in ways that converged on the reallocation of corporate control and related assets.

Following the 2021 control change, the documents state that criminal proceedings were initiated in 2022–2023 against former TOAZ top managers in relation to commercial operations carried out in prior years. The analytical record presents these proceedings as a central feature of the case. According to the dossier and report, the prosecution narrative was built around the allegation that TOAZ had suffered financial damage as a result of historical trading arrangements. The key evidentiary foundation for that narrative was a private economic expert report prepared outside the system of state expert institutions. The materials identify several features of concern in relation to that report: the expert lacked confirmed specialization in mineral fertilizers, the methodology was allegedly based on selective and improperly comparable data, the defence was denied meaningful participation in formulating the expert questions, and motions for a repeat or supplementary examination in a state institution were rejected. The documents emphasize that the investigative authorities refused, on 15 July 2023, to conduct a supplementary expert examination without providing a reasoned assessment of the methodological criticisms raised.

The trial phase culminated in the judgment of the Komsomolsky District Court of Togliatti on 22 July 2024. The materials state that the court convicted the former top managers, imposed lengthy prison sentences, applied fines and additional restrictions, granted civil claims, and upheld or extended asset seizures, including against relatives and third parties. The record portrays the result as having consequences far beyond criminal liability alone. It is said to have damaged the personal, professional, and financial position of former managers; deepened forced exile and the cost of transnational legal defence; impaired employability and reputation; and exposed family members to property restrictions regardless of whether they had any direct involvement in the impugned conduct. The report expressly notes the application of disproportionate measures to relatives and third parties as one of the salient features of the case.

The materials also identify multiple procedural irregularities at the trial and appellate stages. Among the issues documented are discrepancies between written hearing transcripts and audio recordings, the absence or substitution of defence remarks and motions in the record, significant delays in preparing official transcripts, the absence of original expert statements acknowledging liability, refusals to summon the expert for examination, and refusals to review alternative market data or exculpatory evidence. At the appellate level, the Samara Regional Court upheld the verdict on 23 January 2025 without substantial changes. According to the dossier, this occurred notwithstanding unresolved discrepancies between audio records and transcripts and without substantive engagement with allegations of evidentiary falsification or violations of equality of arms. In 2025, the defence pursued cassation and supervisory avenues, including complaints under Article 125 of the Russian Criminal Procedure Code and submissions to the Investigative Committee and Prosecutor's Office, yet the authorities allegedly reclassified crime reports as

ordinary citizens' communications and failed to carry out proper procedural review under Articles 144–145.

Taken together, these elements are presented in the analytical materials as more than isolated procedural defects. The report characterizes the totality of the record as showing a reproducible pattern in which corporate conflict was converted into criminal and quasi-criminal pressure directed at former managers after control of the enterprise had changed. The stated significance of this pattern lies in its cumulative structure: contested historical trading practices become the basis for a damages theory; a private expert report becomes the central evidentiary platform; defence challenges are procedurally constrained; criminal judgments then support civil claims, asset arrests, insolvency consequences, and collateral pressure on third parties. In that sense, the documentary record supports a neutral but clear formulation that the case contains indications of coordinated corporate and legal actions affecting governance, rather than a sequence of disconnected disputes.

The economic consequences described in the file are substantial. The materials link the prosecution and parallel proceedings to the erosion of governance rights, deprivation of board remuneration, seizure or freezing of assets, costs of international defence, and broader reputational and professional losses suffered by former management. The report further notes the civil and commercial litigation dimension, including disputes regarding remuneration previously approved by the General Meeting of Shareholders and the imposition of secondary financial burdens through linked proceedings. The user-supplied chronology adds that former managers and their families sustained severe financial and reputational damage, including forced emigration expenses and the costs of resisting continuing criminal exposure. In an international memorandum, those effects can be described as the foreseeable economic fallout of combined criminal, civil, and insolvency pressure following the transfer of control.

The transnational dimension of the TOAZ matter is particularly significant. The preliminary analytical notice identifies commercial arrangements for the maritime transportation of ammonia involving Northwind Transenergy AS in Norway as disponent owner, Prime Gas Management Inc. in the Marshall Islands as commercial operator, and an operational office in Athens, Greece. The same materials refer to time charter agreements concluded on 1 December 2016 in relation to several gas carrier vessels, with initial monthly payments of approximately USD 1 million per vessel, later amended into formula-based pricing, and with banking identifiers associated with Nordea Bank Norge ASA in Oslo. The notice states that these arrangements involved offshore entities and substantial U.S.-dollar-denominated cross-border payment flows. It further records that, after the 2021 change of control, several vessels were reportedly acquired and re-registered through entities established in Dubai and renamed, while the beneficial ownership of those entities remained unresolved in the material available to ARGAs. The report also expressly identifies transnational implications for banks, regulators, and counterparties, as well as potential relevance in Irish and U.S. contexts.

In summary, the materials support a professional and neutral conclusion that the TOAZ case should not be understood as a routine domestic commercial dispute. Rather, it presents as a complex corporate-control conflict in which changes in governance were followed by criminal prosecutions against former top managers, collateral civil and insolvency consequences, pressure extending to relatives and third parties, and asset movements with a cross-border footprint. The documents do not merely describe the existence of litigation; they describe a system of mutually reinforcing legal and factual processes that, viewed together, raise serious questions concerning the use of criminal proceedings as a tool of corporate restructuring and asset reallocation. For the purposes of an international legal memorandum, the case may therefore be characterized as involving: a prolonged corporate conflict around TOAZ; a contested change of corporate control in late 2021;

subsequent criminal proceedings against former management; significant economic and reputational consequences; documented indicia of coordinated actions affecting governance and asset distribution; and a clear transnational dimension involving offshore structures, maritime transport, foreign jurisdictions, and U.S.-dollar payment channels.

## II. Identification of the Enterprise Structure in the TOAZ Case

The available materials allow reconstruction of a multi-layered corporate and operational structure associated with the conflict surrounding PJSC TogliattiAzot (“TOAZ”). The structure includes historical ownership entities linked to the Makhelai group, competing corporate structures associated with Uralchem and Dmitry Mazepin, a network of affiliated companies involved in production and trading operations, as well as financial, fiduciary, and logistical intermediaries operating across several jurisdictions. Taken together, these elements form a transnational corporate framework within which the dispute over corporate control, asset ownership, and management of TOAZ and related assets developed.

### 1. Organizational Structure

#### A. Core industrial asset

At the center of the structure is PJSC TogliattiAzot (TOAZ), a major ammonia producer located in Togliatti, Russian Federation, with production exceeding three million tonnes of ammonia per year. The company’s operational importance is amplified by its export infrastructure, historically connected to the Togliatti–Odessa ammonia pipeline, which transports ammonia directly to port storage facilities in Ukraine for export. This infrastructure made TOAZ one of the most strategically significant chemical assets in the region.

A closely related industrial entity is Togliatti Methanol LLC (TOMET), a methanol production facility created through the transfer of equipment from TOAZ. TOMET later became a separate corporate asset with its own management, ownership chain, and litigation history, but remained economically linked to the TOAZ industrial complex.

#### B. Historical ownership structure associated with Makhelai / BKIT

The historical controlling interest in TOAZ was held through a network of offshore holding companies commonly referred to as BKIT:

- Bairiki Incorporated
- Kamara Limited
- Instantania Holdings Limited
- Trafalgar Developments Limited

These entities collectively held approximately 70% of TOAZ shares.

The structure surrounding these companies included multiple offshore and trust layers designed to hold and administer share ownership. The corporate chain identified in the scheme includes:

#### **Holding companies (BVI):**

- Chemerengy Holdings Limited
- Magnum Investment Trading Corporation
- Wickerton Limited
- Danberg Corporation
- Sanita Global Limited
- Silvergrove Resources Limited
- Riverdelle Worldwide Limited
- Lagrange Enterprises Limited

These entities ultimately held portions of TOAZ shares through layered corporate ownership.

#### **Trust structures controlling holding companies:**

- The Mirror Trust (New Zealand)
- Viewpoint 2000 Trust (Mauritius)
- Cobblebeach Trust (Jersey)
- BCD Corniche Trust (Guernsey)

All of these trusts list AsiaTrust New Zealand Limited as trustee or fiduciary administrator.

These trusts controlled intermediate holding companies in the British Virgin Islands which in turn held direct or indirect shareholdings in TOAZ.

The diagram indicates that these structures collectively controlled approximately 40.52% of TOAZ shares through identifiable corporate vehicles, while the remaining shares were distributed among other entities within the broader BKIT structure.

#### **C. Corporate structures associated with Mazepin / Uralchem**

Opposing the historical controlling shareholders was a corporate group connected to **United Chemical Company Uralchem**, associated with businessman **Dmitry Mazepin**.

Key entities in this structure include:

##### **Primary corporate group**

- United Chemical Company Uralchem (Russia)
- Uralchem plc (Cyprus – holding structure)

##### **Associated entities involved in share disputes**

- Eurotoaz Limited (Ireland)
- Belport Limited (BVI)

Eurotoaz Limited claimed ownership rights to **8.9% of TOAZ shares** beginning in 2011. Through a series of civil proceedings in Russian courts, registry disputes, and shareholder claims, this entity became a central actor in litigation involving the company's share structure.

The dispute eventually expanded beyond ownership of the 8.9% share block and evolved into a broader confrontation over the entire controlling stake of the company.

Later developments involved additional corporate vehicles connected to the acquisition of TOAZ shares:

- **KhimAktivInvest**
- **Aktum**

These entities reportedly participated in the purchase of shares formerly associated with the controlling block during bankruptcy-related proceedings.

#### **D. Related commercial entities and trading partners**

The dispute also involved several companies associated with commercial operations or trading relationships connected to TOAZ:

##### **Ameropa (Switzerland)**

A major international commodity trading company historically involved in purchasing ammonia produced by TOAZ.

Certain allegations in Russian proceedings claimed that TOAZ sold products to Ameropa at below-market prices between 2008 and 2012. These allegations formed the basis of criminal investigations and civil claims alleging damage to minority shareholders.

##### **Triumph Development Limited (Hong Kong)**

Owner of TOMET following its separation from the TOAZ industrial complex.

The company became a defendant in civil litigation linked to alleged damages claims associated with TOAZ operations.

## **2. Key Individuals**

The corporate conflict involves several individuals occupying central positions in the enterprise structure.

### **Individuals associated with the Makhelai structure**

#### **Sergei Makhelai**

Beneficial owner associated with the historical controlling interest in TOAZ through BKIT structures.

#### **Vladimir Makhelai**

Historically connected with the management and ownership structure of TOAZ.

#### **Alexander Makarov**

Former senior executive of TOAZ.

#### **Nikolai Nepliyuev**

Former Chief Financial Officer of TOAZ and later a member of the Board of Directors.

### **Vladimir Pustynnikov**

Former Commercial Director of TOAZ.

### **Vladimir Chabrov**

Former General Director of TOMET.

### **Andrei Tsivi**

Associated with the ownership structure of TOMET and linked to Ameropa in certain proceedings.

## **Individuals associated with the Uralchem structure**

### **Dmitry Mazepin**

Businessman associated with Uralchem and identified as a central figure in the competing corporate structure that ultimately obtained control of TOAZ.

## **Corporate service directors and fiduciaries**

Several individuals appear in the corporate chain as directors of offshore holding companies or fiduciary administrators, including:

- corporate directors associated with **CorpAG Management Ltd.**
- fiduciary representatives connected with **AsiaTrust New Zealand**
- directors of BVI companies registered through offshore service providers

These actors function primarily as **nominee directors or fiduciary administrators** managing corporate structures rather than operational executives.

## **3. Affiliated Companies**

Affiliated companies connected to the enterprise structure include several categories:

### **Industrial affiliates**

- PJSC TogliattiAzot
- Togliatti Methanol LLC (TOMET)

### **Shareholding vehicles**

- Chemerengy Holdings Limited
- Magnum Investment Trading Corporation
- Wickerton Limited
- Danberg Corporation
- Sanita Global Limited
- Silvergrove Resources Limited
- Riverdelle Worldwide Limited
- Lagrange Enterprises Limited

## **Litigation and acquisition vehicles**

- Eurotoaz Limited
- Belport Limited
- KhimAktivInvest
- Aktum

## **Commercial partners**

- Ameropa
- Triumph Development Limited

## **4. Intermediaries and Financial Actors**

The structure also includes several financial and fiduciary intermediaries involved in administering corporate ownership and financial flows.

### **Trust administrators**

#### **AsiaTrust New Zealand Limited**

This entity appears repeatedly as trustee of multiple trusts controlling offshore holding companies linked to TOAZ shares.

### **Private banking institutions**

Several banks appear in the corporate documentation and corporate addresses associated with holding companies:

- Coutts
- Vontobel
- Julius Baer

These institutions are connected to accounts, addresses, or administrative arrangements used by offshore holding companies.

### **Offshore corporate service providers**

Entities such as **CorpAG Management Ltd.** act as corporate directors or administrators for BVI companies within the ownership structure.

## **5. Operational Links Between Actors**

The relationships between the identified actors can be understood through several operational connections.

### **Shareholding control**

The BKIT group controlled TOAZ through a network of offshore companies and trusts, with the ultimate beneficial interest associated with the Makhelai family.

### **Minority shareholder challenge**

Uralchem and associated entities, particularly Eurotoaz Limited, challenged the existing shareholding structure through legal proceedings and shareholder claims beginning in 2011.

### **Litigation escalation**

Civil disputes concerning shareholder rights, registry management, and dividend payments eventually evolved into criminal investigations and large civil claims alleging damages to minority shareholders.

### **Asset reallocation mechanisms**

Following criminal judgments and bankruptcy proceedings, several related assets—including TOMET and significant share blocks of TOAZ—were transferred through court-supervised procedures and acquisition vehicles.

### **Pressure on management**

Former executives and board members of TOAZ and TOMET became subjects of criminal investigations and prosecution related to historical commercial transactions.

## **6. Jurisdictional Locations of Companies**

The enterprise structure spans multiple jurisdictions.

### **Russia**

- PJSC TogliattiAzot
- Togliatti Methanol LLC (TOMET)
- United Chemical Company Uralchem
- KhimAktivInvest
- Aktum

### **British Virgin Islands**

- Chemerengy Holdings Limited
- Magnum Investment Trading Corporation
- Wickerton Limited
- Danberg Corporation
- Sanita Global Limited
- Silvergrove Resources Limited
- Riverdelle Worldwide Limited
- Lagrange Enterprises Limited
- Belport Limited

### **Ireland**

- Eurotoaz Limited

### **Cyprus**

- Uralchem plc

## **Hong Kong**

- Triumph Development Limited

## **Jersey**

- Cobblebeach Trust

## **Guernsey**

- BCD Corniche Trust

## **Mauritius**

- Viewpoint 2000 Trust

## **New Zealand**

- The Mirror Trust
- AsiaTrust New Zealand Limited (trustee)

## **Switzerland**

- Ameropa

## **Conclusion**

The TOAZ dispute involves a complex enterprise structure combining industrial assets, offshore holding companies, trust arrangements, financial intermediaries, and multiple corporate actors operating across several jurisdictions. The conflict centers on control over a strategically significant chemical enterprise and developed through a combination of shareholder litigation, criminal proceedings, insolvency actions, and corporate acquisitions affecting both TOAZ and affiliated assets such as TOMET. The resulting structure illustrates a transnational network of entities and individuals linked through ownership chains, financial administration, and legal processes, forming the broader corporate framework within which the TOAZ conflict unfolded.

## **III. Chronological Timeline of Events Related to PJSC TogliattiAzot (TOAZ)**

The following chronology reconstructs the principal events surrounding the corporate conflict, litigation, and changes in control affecting PJSC TogliattiAzot and related entities. The timeline integrates corporate governance decisions, civil and criminal proceedings, asset transfers, and relevant international developments associated with the dispute.

### **2008–2011: Acquisition of Minority Stake and Emergence of Shareholder Conflict**

#### **2008**

- United Chemical Company **Uralchem**, associated with businessman **Dmitry Mazepin**, acquires approximately **7.5% of shares in PJSC TogliattiAzot** from the Renova Group of Viktor Vekselberg.
- Through subsequent purchases on the market, Uralchem increases its shareholding to approximately **9.97% of TOAZ shares**, becoming the largest minority shareholder.

#### **2008–2012**

- TOAZ conducts international sales of ammonia through external trading partners, including **Ameropa AG**, a Swiss commodity trading company.
- These commercial operations later become the subject of criminal allegations claiming that ammonia was sold at below-market prices.

#### **2011**

- **Eurotoaz Limited**, a company registered in **Ireland**, asserts rights to **8.9% of TOAZ shares**.
- The company begins filing civil claims and complaints in Russian courts and regulatory bodies seeking recognition of ownership of the disputed shares.

#### **2011–2015: Escalation of Litigation Over Share Ownership**

#### **2011–2015**

- Eurotoaz Limited files numerous civil claims against TOAZ and **TOAZ-Invest**, the company responsible for maintaining the shareholder register.
- Russian courts examine the claimed ownership rights of Eurotoaz Limited over the disputed 8.9% share block.

#### **During this period**

- Russian courts determine that documents submitted by Eurotoaz Limited as evidence of share acquisition contain **irregularities and inconsistencies**, and ownership rights over the shares are not recognized.
- Criminal proceedings are initiated against certain individuals associated with attempts to alter the TOAZ shareholder register.

#### **2014**

- As a result of disputes concerning the shareholder register and ownership claims, the **Basmany District Court of Moscow orders the freezing of TOAZ shares** during the litigation process.
- Dividend payments related to the frozen shares are suspended.

#### **2014–2016: Initiation of Criminal Proceedings**

#### **2014–2015**

- Uralchem and Eurotoaz Limited claim that TOAZ management caused damage to minority shareholders through alleged non-market pricing in ammonia sales to Ameropa between **2008 and 2012**.

## 2015

- Russian investigative authorities initiate a **criminal investigation** into alleged embezzlement of company revenues connected to the ammonia trading arrangements.

## 2016

- Criminal charges are brought against several individuals associated with TOAZ management and affiliated companies.
- Key defendants include individuals associated with the Makhelai ownership structure and executives of TOAZ.
- Some defendants leave Russia following the initiation of criminal proceedings and are subsequently placed on international wanted lists.

### 2016: International Litigation Initiated

## 2016

- Companies within the **BKIT structure**, historically associated with the controlling shareholding in TOAZ, file a claim in the **High Court of Ireland**.
- The claim alleges a coordinated scheme by Uralchem and related entities aimed at forcing the sale of the controlling 70% stake in TOAZ at a reduced price through litigation and criminal pressure.
- The Irish proceedings identify **Eurotoaz Limited**, incorporated in Ireland, as a central defendant.

### 2017–2019: Criminal Proceedings and First Court Judgments

## 2017–2018

- The criminal investigation continues in Russia.
- Investigators formulate accusations alleging that the historical trading structure with Ameropa caused financial damage to TOAZ and minority shareholders.

## June 2019

- The **Komsomolsky District Court of Togliatti** issues a criminal judgment.
- The court finds several individuals guilty of embezzlement related to TOAZ commercial operations.
- The court recognizes damages allegedly totaling approximately **87 billion rubles**.

## November 2019

- The **Samara Regional Court** reviews the case on appeal and largely upholds the judgment.

### 2020–2021: Bankruptcy Proceedings and Asset Control Mechanisms

## November 2020

- Uralchem files a petition for **bankruptcy of Togliatti Methanol LLC (TOMET)**.
- The basis for the petition is the alleged non-payment of damages ordered in the civil claim associated with the criminal case.

## 2020–2021

- Russian courts introduce **bankruptcy supervision procedures** for TOMET.
- The company's financial accounts and assets are frozen.

### March 2021

- The general director of TOMET is removed from his position following the introduction of bankruptcy proceedings.

## November–December 2021: Change of Corporate Control Over TOAZ

### 27 November 2021

- An **extraordinary general meeting of TOAZ shareholders** is held.
- The existing Board of Directors is removed and replaced with a new board.

### December 2021

- A shareholder meeting takes place in which voting rights over approximately **70% of TOAZ shares** associated with the Makhelai structure are exercised by a financial administrator appointed in the personal bankruptcy proceedings of Sergei Makhelai.
- The vote results in the appointment of a board aligned with the Uralchem corporate group.

This event marks the **effective transfer of corporate control over PJSC TogliattiAzot**.

## 2022: Asset Transfers and Criminal Investigations

### February 2022

- Shares associated with the controlling stake are placed for sale through electronic auction procedures as part of bankruptcy enforcement mechanisms.
- The shares are acquired by **KhimAktivInvest**, a company associated with the Uralchem group.

## 2022

- Following the change of corporate control, several **criminal investigations are initiated against former senior managers of TOAZ and TOMET**.

Individuals investigated include former:

- Chief Financial Officer
- Commercial Director
- Senior management figures associated with the company's historical operations.

## 2023: Insolvency Proceedings and Asset Reallocation

### 2023

- Bankruptcy proceedings against **TOMET** progress to the stage of liquidation.

- The company is sold to entities associated with Uralchem at a price significantly below previously estimated market valuations.

The transaction effectively transfers ownership of TOMET to the same corporate group that now controls TOAZ.

## **2024: Criminal Judgments Against Former Management**

### **July 2024**

- The **Komsomolsky District Court of Togliatti** issues further judgments related to criminal proceedings involving former TOAZ executives.
- Several individuals receive prison sentences and financial penalties.

These judgments are accompanied by:

- asset seizures,
- enforcement of civil damages,
- additional restrictions imposed on defendants.

## **2024: International Developments**

### **August 2024**

- The **Commission for the Control of Interpol's Files** issues decisions concerning requests submitted by Russian authorities.
- Interpol determines that certain requests related to former TOAZ managers **do not comply with Interpol's constitution**, citing concerns regarding the nature of the proceedings.

## **2025–Present: Ongoing International Litigation**

### **2023–2025**

- Proceedings in the **High Court of Ireland** involving claims brought by BKIT entities continue.
- The case concerns allegations of coordinated actions by Uralchem and associated companies aimed at acquiring control over TOAZ.

### **Settlement discussions**

- The parties reportedly engage in discussions regarding a potential settlement in the Irish litigation.

## **Summary of Key Developments**

The timeline reflects several interconnected developments:

### **Corporate governance events**

- gradual shareholder conflict beginning in 2011,
- replacement of TOAZ management and board in 2021.

## Legal proceedings

- civil litigation over share ownership,
- criminal proceedings alleging embezzlement,
- international litigation in Ireland.

## Asset transfers

- bankruptcy and transfer of TOMET,
- acquisition of TOAZ shares by entities associated with Uralchem.

## International developments

- cross-border litigation,
- Interpol decisions concerning the criminal proceedings.

# IV. Analysis of Possible Predicate Offenses and Misconduct Indicators in the TOAZ Case

The available materials reveal a number of factual circumstances that may correspond to patterns commonly associated with financial and corporate misconduct. The analysis below identifies potential indicators relevant to predicate offenses frequently examined in international financial crime and corporate governance investigations. These indicators do not constitute legal conclusions but highlight factual patterns documented in the case record.

The identified indicators fall into several categories: fraudulent conduct, financial manipulation, obstruction of legal processes, coordinated corporate actions affecting governance, and the potential misuse of criminal and civil proceedings as strategic instruments in a corporate conflict.

## 1. Indicators of Possible Fraudulent Conduct

### 1.1 Disputed Share Ownership Claims

A key element of the dispute concerns the assertion by **Eurotoaz Limited (Ireland)** of ownership rights over approximately **8.9% of TOAZ shares** beginning in 2011. Russian courts reviewed the documentation submitted in support of the claim and concluded that the evidence relied upon irregular or unreliable share purchase documentation. The courts found that attempts had been made to alter or influence the TOAZ shareholder registry.

These circumstances may indicate a potential pattern involving:

- the use of contested documentation in attempts to obtain ownership rights over corporate shares,
- efforts to modify the shareholder registry through disputed corporate records,
- the initiation of litigation aimed at establishing legal recognition of disputed shareholdings.

Such conduct can correspond to indicators often associated with **corporate fraud involving share ownership claims**.

### 1.2 Civil Claims for Alleged Corporate Damage

Minority shareholder claims alleged that TOAZ management caused losses to the company and its shareholders through the sale of ammonia to **Ameropa AG** between 2008 and 2012 at allegedly non-market prices.

The criminal investigation that followed relied heavily on a **private economic expert report** rather than a state forensic examination. Defense motions requesting a supplementary or independent expert analysis were reportedly denied.

Indicators potentially relevant to fraudulent or manipulated claims include:

- reliance on a single private expert report as the primary evidentiary basis,
- refusal to allow supplementary or state forensic analysis,
- allegations that the methodology used to calculate damages did not rely on recognized market benchmarks.

These circumstances may raise questions regarding **the reliability of financial damage calculations used in civil and criminal proceedings.**

## **2. Indicators of Possible Financial Manipulation**

### **2.1 Use of Multi-Layered Offshore Ownership Structures**

The corporate ownership structure surrounding TOAZ historically involved a network of offshore holding companies and trust arrangements across several jurisdictions, including:

- British Virgin Islands
- Jersey
- Guernsey
- Mauritius
- New Zealand

Such structures are not unusual in international corporate finance; however, they may complicate transparency regarding ultimate beneficial ownership and financial flows.

In the TOAZ case, these layers include entities such as:

- Chemerengy Holdings Limited
- Magnum Investment Trading Corporation
- Wickerton Limited
- Danberg Corporation
- Sanita Global Limited
- Silvergrove Resources Limited
- Riverdelle Worldwide Limited

The presence of multi-jurisdictional holding structures may serve legitimate corporate purposes but may also be examined in the context of:

- obscuring beneficial ownership,
- facilitating cross-border asset transfers,
- limiting transparency of financial flows.

### **2.2 Bankruptcy-Related Asset Transfers**

A significant development involved the **bankruptcy of Togliatti Methanol LLC (TOMET)**.

Following civil judgments related to the TOAZ dispute, TOMET was subjected to bankruptcy proceedings initiated by a creditor associated with the opposing corporate group.

Key factual circumstances include:

- introduction of bankruptcy supervision procedures,
- removal of existing management,
- eventual transfer of ownership of TOMET to entities linked to the creditor.

In financial crime analysis, such patterns may correspond to indicators of:

- **strategic insolvency proceedings used to facilitate asset acquisition,**
- **distressed-value transfers of corporate assets.**

These indicators may warrant examination when evaluating whether bankruptcy mechanisms were used primarily to satisfy legitimate creditor claims or to restructure ownership of valuable corporate assets.

### **3. Indicators of Possible Obstruction of Legal Processes**

#### **3.1 Limitations on Expert Examination**

The investigative record indicates that requests for additional expert examination of the financial allegations were reportedly denied.

Relevant indicators include:

- reliance on a single expert report,
- refusal to authorize supplementary expert analysis,
- limitations on defense participation in the formulation of expert questions.

In international legal practice, such circumstances may raise concerns regarding **limitations on the ability of parties to challenge financial evidence.**

#### **3.2 Procedural Irregularities Alleged in Judicial Proceedings**

The case materials reference allegations concerning irregularities during the criminal trial process.

These include claims of:

- discrepancies between written court transcripts and audio recordings,
- delays in the preparation of official court records,
- difficulties in presenting alternative expert evidence.

Such allegations, if substantiated, could correspond to indicators of **procedural obstruction or irregular administration of justice.**

### **4. Indicators of Coordinated Corporate Actions**

#### **4.1 Convergence of Litigation, Insolvency, and Corporate Governance Changes**

The sequence of events documented in the timeline suggests that several types of legal and corporate mechanisms operated in close temporal proximity:

1. civil litigation regarding share ownership,
2. criminal proceedings alleging financial misconduct,
3. bankruptcy proceedings affecting related corporate assets,
4. shareholder meetings resulting in changes to the board of directors.

The convergence of these mechanisms resulted in a **change of corporate control over TOAZ in November 2021**. Such clustering of legal processes may indicate coordinated strategic actions affecting corporate governance.

## **4.2 Share Acquisition Through Enforcement Mechanisms**

The controlling share block historically associated with the Makhelai structure was eventually transferred through procedures connected with bankruptcy enforcement and asset sales.

These events may correspond to indicators of:

- **acquisition of strategic corporate assets through court-supervised enforcement procedures.**

In certain contexts, such mechanisms may be examined for potential coordination between legal proceedings and corporate acquisition strategies.

## **5. Indicators of Possible Misuse of Legal Proceedings**

### **5.1 Parallel Criminal and Civil Claims**

The dispute involved both:

- criminal proceedings alleging embezzlement,
- civil claims seeking damages estimated at tens of billions of rubles.

When criminal charges and civil damages claims are closely interconnected, analysts often examine whether litigation strategies may have influenced corporate negotiations or asset control.

### **5.2 Use of International Legal Instruments**

Some defendants were reportedly placed on international wanted lists and subject to extradition requests.

International mechanisms such as **Interpol notices** may become relevant where disputes involve cross-border legal processes. In the TOAZ case, the Commission for the Control of Interpol's Files reportedly reviewed certain requests submitted by Russian authorities.

Such developments may indicate that the dispute extended beyond domestic corporate litigation into the sphere of international legal cooperation.

## **6. Potential Predicate Offense Categories**

Based on the factual indicators identified above, the case contains elements that may correspond to several categories of predicate offenses commonly examined in international corporate investigations:

#### **Potential fraud indicators**

- disputed documentation relating to share ownership,
- contested financial damage calculations.

#### **Potential financial manipulation indicators**

- use of complex offshore ownership networks,
- distressed asset transfers through insolvency procedures.

#### **Potential obstruction indicators**

- alleged procedural limitations affecting evidentiary review,
- restrictions on independent expert examination.

#### **Potential coordinated corporate conduct**

- alignment of litigation, insolvency, and governance changes.

#### **Potential misuse of legal proceedings**

- strategic use of criminal and civil litigation in a corporate control dispute.

#### **Conclusion**

The TOAZ case reflects a complex intersection of corporate governance disputes, criminal investigations, and cross-border corporate structures. The factual circumstances documented in the materials reveal several patterns that may correspond to indicators of financial misconduct or strategic misuse of legal mechanisms in a corporate conflict.

A comprehensive legal assessment would require further examination of financial records, corporate documentation, court filings, and international transactions associated with the entities involved. However, the indicators identified above provide a structured framework for evaluating potential predicate offenses and areas warranting additional investigative scrutiny.

## **V. Financial Flow Analysis Related to PJSC TogliattiAzot (TOAZ)**

The available materials reveal a multi-layered financial structure associated with TOAZ operations, its historical ownership network, international trading arrangements, and subsequent asset transfers. The financial flows involved several jurisdictions, offshore holding entities, international trading partners, maritime transport operators, and banking intermediaries. The analysis below maps the principal financial flows identified in the materials and highlights the infrastructure through which funds moved.

### **1. Core Revenue Flows from Industrial Operations**

## **Ammonia production and export**

The primary source of revenue for PJSC TogliattiAzot was the production and export of ammonia and related chemical products.

Operational characteristics of the revenue model include:

- ammonia production in **Togliatti (Russia)**
- transport via the **Togliatti–Odessa ammonia pipeline**
- storage at port facilities in **Yuzhny Port (Ukraine)**
- export to international markets

Sales were conducted through international trading companies operating as commercial intermediaries. One of the principal trading partners referenced in the case materials is:

### **Ameropa AG (Switzerland)**

Revenue flows associated with these operations followed a typical commodity trading structure:

1. Ammonia produced by TOAZ
2. Sales contracts concluded with trading companies
3. International resale of ammonia by the trader
4. Payment flows returned to TOAZ or affiliated corporate structures

The financial dispute underlying the criminal proceedings concerns allegations that these transactions were executed at **non-market prices**, which allegedly reduced revenue received by TOAZ.

## **2. Corporate Ownership Financial Structure**

The shareholding structure surrounding TOAZ included multiple offshore holding companies and trusts through which dividends and ownership-related financial flows were administered.

### **Offshore holding companies receiving dividends**

Key holding entities include:

- Chemerengy Holdings Limited (BVI)
- Magnum Investment Trading Corporation (BVI)
- Wickerton Limited (BVI)
- Danberg Corporation (BVI)
- Sanita Global Limited (BVI)
- Silvergrove Resources Limited (BVI)
- Riverdelle Worldwide Limited (BVI)

These entities functioned as **intermediate holding vehicles** in the corporate chain controlling shares of TOAZ. Dividends paid by TOAZ would therefore move through the following structure: Russia → Offshore holding companies → Trust structures → Beneficial ownership layer

### **Trust layer administering ownership**

The corporate shareholding vehicles were controlled through several trusts administered by a professional trustee.

Key trust structures include:

- The Mirror Trust — New Zealand
- Viewpoint 2000 Trust — Mauritius
- Cobblebeach Trust — Jersey
- BCD Corniche Trust — Guernsey

Trustee:

### **AsiaTrust New Zealand Limited**

These trusts appear to have administered beneficial ownership of shareholding entities and therefore may have served as nodes for financial distribution of dividends and investment returns.

## **3. International Commodity Trading Flows**

A significant component of the financial structure involved international commodity trading.

### **Trading intermediary**

#### **Ameropa AG (Switzerland)**

Ameropa served as a trading counterparty purchasing ammonia from TOAZ.

The financial flow pattern likely followed the model:

TOAZ (Russia)

→ Export contracts

→ Ameropa (Switzerland)

→ Global resale of ammonia

→ Payment transfers

Because commodity trading transactions typically occur in **USD-denominated contracts**, these payments likely involved international dollar clearing systems.

## **4. Maritime Transport and Shipping Financial Flows**

The export of ammonia also required maritime transport infrastructure. The materials identify several entities connected with maritime logistics:

#### **Northwind Transenergy AS (Norway)**

Role: disponent owner of gas carrier vessels.

#### **Prime Gas Management Inc. (Marshall Islands)**

Role: commercial operator of vessels transporting ammonia.

Operational management reportedly conducted through offices in:

**Athens (Greece).**

### **Charter agreements**

The documents reference **time-charter agreements concluded in December 2016** covering several ammonia gas carriers.

Initial charter payments were reportedly structured at approximately:

### **USD 1 million per vessel per month**

These payments created additional financial flows related to logistics operations:

Commodity export revenues

→ shipping payments

→ maritime operator accounts.

## **5. Banking Infrastructure and Financial Intermediaries**

Several financial institutions appear in the documentation as intermediaries connected with holding companies and logistics arrangements.

### **Private banking institutions associated with holding structures**

The offshore companies within the TOAZ shareholding chain reference banking relationships or addresses associated with:

- **Coutts**
- **Vontobel**
- **Julius Baer**

These institutions likely provided services such as:

- custody of corporate accounts
- fiduciary administration
- private banking for holding entities.

### **European banking infrastructure**

Shipping-related documentation identifies banking identifiers associated with:

### **Nordea Bank Norge ASA (Oslo)**

Nordea appears connected with accounts used in maritime charter arrangements.

These transactions would likely involve international payment transfers routed through European banking networks.

## **6. Cross-Border Movement of Funds**

The financial flows identified in the materials connect several jurisdictions.

### **Russia**

Primary location of industrial operations and generation of revenue.

### **Switzerland**

Location of the trading intermediary Ameropa handling international commodity sales.

### **British Virgin Islands**

Location of holding companies receiving dividends and managing share ownership.

### **New Zealand, Jersey, Mauritius, Guernsey**

Trust jurisdictions administering beneficial ownership structures.

### **Norway**

Location of maritime shipping company Northwind Transenergy.

### **Greece**

Operational management center for shipping arrangements.

### **Marshall Islands**

Registration jurisdiction for maritime operator Prime Gas Management.

### **United Arab Emirates (Dubai)**

Entities reportedly involved in re-registration of shipping assets following the change of corporate control.

## **7. Potential USD-Denominated Transactions**

Several elements of the TOAZ financial structure suggest the use of USD-denominated payments.

### **Commodity trading**

International ammonia sales typically occur in **USD pricing benchmarks**, meaning payments would likely be denominated in U.S. dollars.

### **Maritime charter payments**

Charter payments referenced in the documents were reportedly priced in **USD monthly payments**.

## **International banking**

Dollar-denominated payments passing through European banks such as Nordea would typically require **USD clearing through correspondent banking networks**. These networks often include U.S.-based financial institutions as settlement intermediaries.

### **8. Potential Use of International Payment Systems**

The financial flows described in the materials would likely rely on international payment infrastructure including:

- SWIFT messaging system
- international wire transfers
- correspondent banking networks

Payments related to:

- commodity trading
- charter agreements
- dividend transfers

would typically pass through multiple correspondent banks before final settlement.

### **9. Financial Flows Associated with Asset Transfers**

The corporate conflict resulted in several asset transfers affecting TOAZ and related entities.

#### **Acquisition of controlling share block**

Shares historically associated with the Makhelai structure were transferred through enforcement-related procedures and acquired by entities connected to the competing corporate group.

#### **Bankruptcy of TOMET**

Togliatti Methanol LLC entered bankruptcy proceedings.

Subsequently:

- the company was sold through bankruptcy procedures
- ownership transferred to entities associated with the creditor group.

These transactions represent significant financial flows connected with the redistribution of corporate assets.

### **10. Potential U.S. Financial Infrastructure Exposure**

Certain transactions described in the materials may have involved U.S. financial infrastructure.

Possible connections include:

#### **USD-denominated commodity payments**

International commodity trades often clear through **U.S. correspondent banking networks**.

### **USD charter payments**

Payments for maritime transport denominated in USD would likely require clearing through banks with **U.S. correspondent accounts**.

### **SWIFT-based international wire transfers**

Global payment messages may have transited through systems operated by institutions with U.S. financial exposure.

Although the materials do not identify specific U.S. banks, the use of USD-denominated contracts suggests potential involvement of **U.S. dollar clearing infrastructure**.

### **Conclusion**

The financial flows related to the TOAZ case reflect a complex transnational structure combining industrial revenues, offshore ownership vehicles, international trading operations, maritime logistics payments, and cross-border banking infrastructure.

Key elements of the financial flow map include:

- commodity export revenues generated in Russia,
- payments through international trading intermediaries,
- dividend flows through offshore holding companies,
- trust-administered beneficial ownership structures,
- maritime charter payments routed through international shipping operators,
- banking services provided by European and private banking institutions,
- potential settlement of transactions through USD-denominated international payment networks.

Together, these elements form a multi-jurisdictional financial architecture underlying the corporate and legal conflict surrounding PJSC TogliattiAzot.

## **VI. Corporate Structure Map Connected to PJSC TogliattiAzot**

The corporate framework connected with PJSC TogliattiAzot (“TOAZ”) consists of several layers of ownership and control, including industrial operating entities, offshore holding companies, trust structures administering beneficial ownership, and corporate service providers acting as nominee directors or fiduciary administrators. The structure reflects a typical multi-jurisdictional holding model used for managing large industrial assets and distributing ownership rights through intermediary corporate vehicles.

The hierarchy can be divided into four principal levels: the operational asset level, the direct shareholding layer, the offshore holding layer, and the trust-based beneficial ownership layer.

### **1. Core Operating Asset**

## **PJSC TogliattiAzot (TOAZ)**

TOAZ is the central industrial entity in the structure. It operates major ammonia production facilities in Togliatti, Russian Federation, and historically served as one of the largest ammonia producers globally.

TOAZ functions as the **primary revenue-generating company** within the structure. All upstream corporate entities ultimately derive value from ownership of shares in this company.

## **2. Affiliated Industrial Entity**

### **Togliatti Methanol LLC (TOMET)**

TOMET is a related industrial enterprise formed through the transfer of production equipment originally associated with TOAZ operations.

The company developed into an independent methanol production business but remained economically linked to the broader TOAZ industrial complex. In later stages of the dispute, TOMET became subject to bankruptcy proceedings and subsequent transfer of ownership.

## **3. Direct Shareholding Entities**

A group of offshore companies served as **direct or indirect shareholders of TOAZ**. These companies were incorporated primarily in the **British Virgin Islands (BVI)** and held portions of the company's share capital.

Key entities in this layer include:

- Chemerengy Holdings Limited (BVI)
- Magnum Investment Trading Corporation (BVI)
- Wickerton Limited (BVI)
- Danberg Corporation (BVI)
- Sanita Global Limited (BVI)
- Silvergrove Resources Limited (BVI)
- Riverdelle Worldwide Limited (BVI)
- Lagrange Enterprises Limited (BVI)

These companies collectively held significant portions of TOAZ shares and functioned as intermediate corporate vehicles within the ownership chain.

## **4. Parent Ownership Structures**

The direct shareholding companies formed part of a broader ownership network historically associated with a group of offshore entities commonly referred to as **BKIT**.

This group includes:

- Bairiki Incorporated
- Kamara Limited
- Instantania Holdings Limited
- Trafalgar Developments Limited

These companies historically held approximately **70% of TOAZ shares**, making them the primary controlling shareholders of the company.

## **5. Trust-Based Beneficial Ownership Layer**

Above the offshore holding companies sits a trust administration structure used to manage beneficial ownership interests.

Key trust structures include:

- The Mirror Trust — New Zealand
- Viewpoint 2000 Trust — Mauritius
- Cobblebeach Trust — Jersey
- BCD Corniche Trust — Guernsey

These trusts function as the **beneficial ownership layer** controlling underlying offshore companies. The trustee responsible for administering these structures is:

### **AsiaTrust New Zealand Limited**

Trust arrangements allowed beneficial ownership interests to be managed through fiduciary structures rather than direct individual ownership.

## **6. Competing Corporate Structure**

Opposite the historical ownership structure was a competing corporate group associated with **United Chemical Company Uralchem**.

Key entities within this structure include:

- United Chemical Company Uralchem (Russia)
- Uralchem plc (Cyprus)
- Eurotoaz Limited (Ireland)

Eurotoaz Limited played a central role in litigation relating to claims over **8.9% of TOAZ shares** and became a significant actor in the broader corporate dispute.

Additional corporate vehicles reportedly involved in later acquisition of TOAZ shares include:

- KhimAktivInvest
- Aktum

These entities participated in transactions connected with the transfer of share ownership following bankruptcy and enforcement procedures.

## **7. Offshore and Corporate Service Infrastructure**

The corporate ownership layer was supported by several administrative and fiduciary actors.

### **Corporate service providers**

Certain BVI companies listed professional corporate directors associated with **CorpAG Management Ltd.**, indicating the use of external corporate service providers for administration of offshore entities.

### **Nominee directors**

Individual directors appearing in the corporate registry of holding companies likely functioned as **nominee directors**, managing corporate compliance and documentation rather than exercising operational control.

## **8. Financial and Fiduciary Intermediaries**

Several international banking institutions appear in connection with the corporate holding structure.

These include:

- Coutts
- Vontobel
- Julius Baer

Their role appears linked to private banking services, custody of corporate accounts, or fiduciary administration for offshore entities.

## **9. Corporate Hierarchy Summary**

The resulting corporate hierarchy can be summarized as follows:

### **Beneficial ownership layer**

Trust structures administered by AsiaTrust New Zealand Limited

↓

### **Parent offshore holding layer (BKIT group)**

Bairiki Incorporated

Kamara Limited

Instantania Holdings Limited

Trafalgar Developments Limited

↓

### **Intermediate holding companies (BVI)**

Chemerengy Holdings Limited

Magnum Investment Trading Corporation

Wickerton Limited

Danberg Corporation

Sanita Global Limited

Silvergrove Resources Limited

Riverdelle Worldwide Limited

Lagrange Enterprises Limited

↓

### **Operating company**

PJSC TogliattiAzot (Russia)

↓

### **Affiliated industrial entity**

Togliatti Methanol LLC (TOMET)

## **10. Structural Characteristics**

The corporate map demonstrates several defining features:

- a **multi-jurisdictional ownership chain** spanning Russia, offshore jurisdictions, and trust jurisdictions
- separation between **operational management and beneficial ownership**
- use of **intermediate offshore holding companies** to consolidate shareholdings
- administration of ownership through **professional trust and fiduciary structures**
- presence of a **competing corporate group** seeking to acquire control through litigation and enforcement procedures.

This layered structure forms the corporate framework within which the TOAZ corporate conflict and subsequent legal proceedings developed.

## **VII. Maritime and Trade Operations Associated with PJSC TogliattiAzot**

The materials reveal a structured export and logistics system supporting the international trade of ammonia produced by PJSC TogliattiAzot (TOAZ). The export model combined pipeline infrastructure, port storage facilities, maritime transport arrangements, and international commodity trading intermediaries. This system created a multi-jurisdictional logistics chain involving industrial production in Russia, export infrastructure in Ukraine, shipping operations managed through international maritime companies, and commercial trading entities operating in global commodity markets. The information below systematizes the maritime and trade operations referenced in the materials.

### **1. Maritime Assets**

The export of ammonia produced by TOAZ relied on a fleet of specialized gas carrier vessels used for the transportation of liquefied ammonia. The materials reference several maritime vessels involved in ammonia transport operations under long-term charter agreements.

Identified vessels include:

- Gas Cobia
- Gas Grouper
- Gas Manta
- Gas Snapper
- Clipper Odin
- Clipper Mars

These vessels were ammonia gas carriers used to transport cargo from export terminals to international markets. The vessels were reportedly operated under **time-charter agreements concluded in December 2016**. Initial charter arrangements reportedly involved payments of approximately **USD 1 million per vessel per month**, indicating the scale of logistical operations required for the export of TOAZ production.

## **2. Shipping Structures**

The maritime logistics infrastructure involved several corporate entities performing different operational roles within the shipping chain.

### **Vessel ownership and management**

#### **Northwind Transenergy AS (Norway)**

Role: Disponent owner responsible for the operational control of the vessels.

#### **Commercial operator**

#### **Prime Gas Management Inc. (Marshall Islands)**

Role: Commercial management of the vessels and coordination of charter operations.

#### **Operational management office**

Operational activities related to vessel management were reportedly conducted through a maritime management office located in:

#### **Athens, Greece**

This reflects a common structure in international maritime transport where vessel ownership, commercial operation, and technical management are separated across different jurisdictions.

## **3. Logistics Chain for Ammonia Exports**

The export logistics chain supporting TOAZ operations consisted of several interconnected stages.

### **Stage 1 – Production**

Ammonia production occurs at the **TOAZ industrial complex in Togliatti, Russia**.

### **Stage 2 – Pipeline transportation**

The produced ammonia is transported through the **Togliatti–Odessa ammonia pipeline**, which is one of the largest ammonia transport pipelines in the world. The pipeline carries ammonia from Togliatti to the Black Sea coast.

### **Stage 3 – Port storage and loading**

At the end of the pipeline route, ammonia is delivered to storage facilities located at the **Yuzhny Port terminal (Ukraine)**.

At this terminal:

- ammonia is stored in specialized tanks
- cargo is transferred to ammonia gas carrier vessels.

### **Stage 4 – Maritime transport**

Gas carrier vessels transport ammonia cargo to international markets. Shipping routes connect the Black Sea export terminal to global fertilizer and chemical markets.

## **4. International Trade Flows**

The international sale of ammonia was conducted through trading intermediaries operating in global commodity markets.

### **Key trading intermediary**

#### **Ameropa AG (Switzerland)**

Ameropa functioned as an international trading partner purchasing ammonia from TOAZ.

Typical trading structure:

1. TOAZ sells ammonia to trading intermediary
2. Trading intermediary resells cargo on international markets
3. Revenue flows back through international payment systems.

Commodity trading agreements often rely on internationally recognized price benchmarks for fertilizers and ammonia.

## **5. Maritime Logistics Financial Flows**

Shipping operations created a significant financial component within the export system.

Financial flows associated with maritime transport include:

- charter payments to vessel owners
- operational management fees
- port handling and storage costs

- insurance and brokerage fees.

The time-charter agreements described in the materials represent a major component of the logistics cost structure.

## **6. Shipping Asset Transfers**

The materials also reference changes in ownership or registration of certain vessels following the change in corporate control over TOAZ.

Reported developments include:

- acquisition of several vessels associated with ammonia transport
- re-registration of these vessels through companies incorporated in **Dubai (United Arab Emirates)**.

The vessels were reportedly renamed after acquisition.

Identified renaming examples include:

- Oceanic Breeze
- Oceanic Star
- Oceanic Moon

The beneficial ownership of the Dubai companies involved in these transactions is not clearly identified in the available materials.

## **7. Jurisdictional Structure of the Maritime Network**

The maritime logistics system associated with TOAZ operations spans multiple jurisdictions.

Key jurisdictions include:

### **Russia**

Location of ammonia production facilities.

### **Ukraine**

Location of port infrastructure used for loading ammonia onto vessels.

### **Norway**

Location of the shipping company acting as disponent owner of vessels.

### **Marshall Islands**

Jurisdiction of registration for the commercial vessel operator.

### **Greece**

Operational center for maritime management activities.

## **United Arab Emirates (Dubai)**

Jurisdiction where certain vessel ownership entities were reportedly established after asset transfers.

## **Switzerland**

Location of the trading intermediary involved in international ammonia sales.

## **8. Structure of the Maritime and Trade Network**

The operational structure of maritime and trade operations can be summarized as follows:

Industrial production

→ TOAZ (Russia)

Pipeline transport

→ Togliatti–Odessa ammonia pipeline

Port logistics

→ Yuzhny Port terminal (Ukraine)

Maritime transport

→ ammonia gas carriers under time-charter agreements

Shipping operators

→ Northwind Transenergy AS (Norway)

→ Prime Gas Management Inc. (Marshall Islands)

Operational management

→ maritime office in Athens (Greece)

International trading

→ Ameropa AG (Switzerland)

Global commodity markets

## **9. Structural Characteristics of the Logistics System**

Several structural features characterize the maritime and trade network associated with TOAZ.

### **Multi-jurisdictional logistics infrastructure**

The logistics chain spans multiple countries, including production, pipeline transport, port operations, maritime shipping, and international trading.

### **Specialized shipping assets**

The transport of ammonia requires specialized gas carrier vessels, resulting in a dedicated fleet operating under long-term charter agreements.

### **Separation of commercial and operational functions**

Different corporate entities handle vessel ownership, commercial operation, and technical management.

### **Integration with global commodity markets**

The system connects industrial production in Russia with international fertilizer and chemical markets.

### **Conclusion**

The maritime and trade operations linked to PJSC TogliattiAzot form a complex international logistics network designed to support large-scale ammonia exports. The structure integrates pipeline transport, port infrastructure, specialized shipping fleets, and international commodity trading intermediaries.

This system involves multiple corporate actors and jurisdictions, reflecting the global nature of ammonia trade and the logistical requirements necessary to transport chemical commodities from inland production facilities to international markets.

## **VIII. Potential Nexus with United States Jurisdiction and Relevance to the U.S. RICO Framework**

The structure of financial and commercial activities associated with PJSC TogliattiAzot (“TOAZ”) reveals several elements that may create jurisdictional touchpoints with the United States financial system. These connections arise primarily through the use of U.S. dollar-denominated transactions, the global correspondent banking network required for dollar settlement, and the involvement of international financial intermediaries that operate through U.S. clearing infrastructure.

In addition to establishing jurisdictional links, such financial interactions may also be relevant in assessing potential applicability of the **U.S. Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961–1968**, which allows civil actions where a structured enterprise engages in a pattern of racketeering activity affecting commerce connected with the United States.

The following analysis identifies structural elements that may establish a potential U.S. nexus and explains how such links may be relevant in the context of a RICO analysis.

### **1. USD-Denominated Commodity Trade Transactions**

#### **International ammonia trade**

TOAZ operated as a major exporter of ammonia in global commodity markets. International ammonia and fertilizer contracts are typically priced in **U.S. dollars**, which functions as the standard settlement currency for chemical commodities.

The materials identify international trading operations involving companies such as:

- **Ameropa AG (Switzerland)**

Payments arising from export contracts executed between TOAZ and international traders were therefore likely denominated in USD.

### **Jurisdictional implication**

Even when neither party is located in the United States, USD-denominated payments normally require settlement through the **U.S. dollar clearing system**. International banks executing dollar transactions typically rely on **correspondent accounts maintained with U.S. banks**, most commonly located in New York.

As a result, financial flows generated by commodity sales may have transited through the U.S. banking system.

### **Relevance to RICO analysis**

Under U.S. RICO jurisprudence, financial transactions processed through the U.S. banking system can establish the **interstate or international commerce nexus** required for jurisdiction where such transactions form part of a broader enterprise activity.

## **2. Correspondent Banking Infrastructure**

### **European financial intermediaries**

The materials reference several financial institutions connected with corporate structures and logistics operations:

- **Nordea Bank Norge ASA**
- **Coutts**
- **Vontobel**
- **Julius Baer**

These banks operate within the international banking system and routinely process cross-border transactions through the SWIFT network.

Because these institutions are not U.S. banks, they typically maintain **USD correspondent accounts with American financial institutions** in order to settle dollar transactions.

### **Typical transaction path**

A standard USD payment chain in international banking is structured as follows:

Originating bank (Europe or offshore jurisdiction)

→ U.S. correspondent bank (New York clearing account)

→ beneficiary bank.

Therefore, even transactions conducted between non-U.S. entities may still involve **U.S. financial infrastructure** during settlement.

### **RICO relevance**

Use of U.S. correspondent accounts in connection with alleged fraudulent schemes or coordinated corporate misconduct may establish a sufficient nexus to the United States for purposes of federal civil litigation under RICO.

## **3. Maritime Transport Payments**

### **Shipping contracts**

The materials identify several ammonia carrier vessels operating under time-charter agreements concluded in 2016.

The vessels include:

- Gas Cobia
- Gas Grouper
- Gas Manta
- Gas Snapper
- Clipper Odin
- Clipper Mars

Payments for these charters reportedly averaged approximately **USD 1 million per vessel per month**.

The entities involved in these arrangements include:

- **Northwind Transenergy AS (Norway)** — vessel operator
- **Prime Gas Management Inc. (Marshall Islands)** — commercial manager.

### **Financial settlement**

Charter payments in global shipping markets are almost universally denominated in USD. As with commodity transactions, such payments normally pass through the **U.S. dollar clearing system**, creating potential jurisdictional links to the U.S. financial infrastructure.

### **RICO implication**

If such financial flows were connected to a coordinated scheme affecting corporate control, asset transfers, or alleged financial misconduct, their passage through U.S. clearing networks could support the interstate commerce element required under RICO.

## **4. International Payment Infrastructure**

### **SWIFT and cross-border payments**

International financial transfers associated with TOAZ operations would typically rely on:

- SWIFT payment messaging
- international wire transfers
- correspondent banking settlement systems.

Although SWIFT itself is headquartered in Belgium, the settlement of USD transactions frequently involves U.S. clearing banks.

Consequently, cross-border payments connected to commodity trading, charter agreements, or corporate transfers may have passed through U.S. financial institutions even when the originating and destination entities were located outside the United States.

### **RICO relevance**

Under U.S. case law, the use of U.S. financial infrastructure in furtherance of alleged racketeering activities can be considered an element connecting an enterprise's activities to U.S. commerce.

## **5. Offshore Corporate Structures and Financial Centers**

The ownership and financial structure surrounding TOAZ includes multiple offshore jurisdictions, including:

- British Virgin Islands
- Jersey
- Guernsey
- Mauritius
- Cyprus
- Ireland

These jurisdictions frequently operate within global financial networks connected to U.S. correspondent banking systems.

Financial operations involving offshore holding companies may therefore indirectly rely on:

- U.S. dollar settlement networks
- U.S. banking intermediaries
- international financial clearing systems linked to U.S. infrastructure.

Such structures are not inherently improper but can be examined in the context of **enterprise structures involving cross-border financial flows**.

## **6. Potential Enterprise Structure Relevant to RICO**

The materials describe a complex set of relationships involving:

- competing corporate groups
- offshore holding entities
- international financial intermediaries
- maritime transport structures
- criminal and civil litigation mechanisms.

Within the analytical framework of U.S. RICO law, such a configuration could potentially correspond to an “**enterprise**” consisting of a group of individuals and entities associated together for a common purpose.

Under 18 U.S.C. §1961, an enterprise may include:

- corporations
- partnerships
- associations
- or any group of individuals associated in fact.

If the activities described in the materials were found to constitute a coordinated pattern of misconduct involving fraud, obstruction of justice, or financial manipulation, such conduct could theoretically be analyzed under the **pattern of racketeering activity** standard required by the statute.

## **7. Potential Predicate Offense Categories**

The materials describe conduct that could correspond to categories of predicate offenses recognized under U.S. RICO law, including:

- fraud involving corporate assets or financial transactions
- manipulation of corporate governance structures
- potential obstruction of legal processes
- coordinated actions affecting ownership of strategic assets.

If such activities were linked to financial transactions processed through U.S. banking infrastructure, they could form part of the jurisdictional analysis required for a RICO claim.

## **Conclusion**

The financial and commercial activities connected with PJSC TogliattiAzot demonstrate several structural links to the international financial system that may create jurisdictional touchpoints with the United States.

These connections arise primarily through:

- USD-denominated commodity trading transactions
- maritime transport payments structured in U.S. dollars
- correspondent banking relationships involving U.S. clearing banks
- global payment infrastructure supporting cross-border financial flows.

Within the analytical framework of U.S. law, such connections may be relevant in evaluating whether the activities associated with the TOAZ dispute intersect with U.S. interstate or international commerce, a key jurisdictional element for potential civil actions under the Racketeer Influenced and Corrupt Organizations Act (RICO).

## IX. Economic Consequences Analysis Related to the TOAZ Dispute

The dispute surrounding PJSC TogliattiAzot (“TOAZ”) generated a series of economic consequences affecting corporate governance, ownership structures, former management personnel, and associated corporate assets. The available materials allow identification of several categories of economic impact: loss of corporate control over strategic industrial assets, financial losses affecting former management and related parties, redistribution of corporate assets through insolvency procedures, and broader reputational and economic effects connected with international litigation and enforcement actions.

The following assessment outlines the principal economic consequences identified in the case.

### 1. Loss of Corporate Control

#### Transfer of governance authority

A central economic consequence of the dispute was the **loss of corporate control over PJSC TogliattiAzot**.

The historical controlling interest associated with offshore holding structures (commonly referred to as the BKIT group) held approximately **70% of TOAZ shares**, which provided effective governance control over the company’s board and strategic decisions.

Following a series of legal developments—including criminal proceedings, civil claims, and bankruptcy-related enforcement actions—this controlling interest was transferred through asset sale mechanisms connected with bankruptcy administration.

#### Governance impact

The loss of the controlling share block resulted in:

- replacement of the **board of directors**
- appointment of new **executive management**
- transfer of strategic decision-making authority to a different corporate group.

Because TOAZ is a major industrial enterprise with large-scale export operations, the change in corporate governance also implied the transfer of operational control over production assets, export infrastructure, and commercial relationships.

### 2. Asset Redistribution

#### Transfer of TOAZ shares

Shares historically associated with the controlling ownership group were transferred through enforcement mechanisms and subsequently acquired by entities associated with the competing corporate group.

The transaction represented a **transfer of ownership over a strategic industrial asset**.

Because the controlling block historically represented approximately **70% of the company's share capital**, the transfer significantly altered the ownership structure of the enterprise.

### **Bankruptcy and transfer of TOMET**

The dispute also resulted in the **bankruptcy of Togliatti Methanol LLC (TOMET)**, a methanol production facility originally created from assets associated with TOAZ.

Key developments include:

- initiation of bankruptcy proceedings against TOMET
- removal of existing management
- liquidation and sale of the company during insolvency proceedings.

The company was reportedly transferred to entities associated with the creditor group during the bankruptcy process.

The transaction effectively transferred ownership of a valuable industrial asset linked to the TOAZ complex.

### **3. Financial Impact on Former Management**

#### **Criminal proceedings and asset restrictions**

Former executives and board members of TOAZ and TOMET were subjected to criminal investigations and prosecution related to historical commercial transactions.

Economic consequences associated with these proceedings include:

- legal defense costs
- asset freezes or confiscation measures
- financial penalties resulting from criminal judgments.

In addition, enforcement actions reportedly extended to **property owned by relatives and third parties**, creating additional financial pressure on individuals connected with the former management structure.

#### **Forced relocation and economic displacement**

Several former managers left Russia following the initiation of criminal proceedings.

Economic effects associated with this relocation include:

- loss of employment opportunities within the Russian corporate sector
- relocation and immigration costs
- ongoing expenses related to legal defense in multiple jurisdictions.

These factors contributed to long-term financial instability for affected individuals.

### **4. Potential Financial Damages**

#### **Corporate valuation impact**

The transfer of ownership of major assets such as TOAZ shares and TOMET may have involved transactions executed under distressed legal circumstances.

In such situations, asset transfers may occur at values significantly below market valuations.

If strategic assets were acquired at reduced prices during enforcement or bankruptcy procedures, potential financial damages could include:

- loss of market value associated with the controlling share block
- loss of economic benefits derived from ownership of the enterprise
- reduced value of related corporate assets.

### **Litigation-related financial exposure**

The dispute also generated substantial litigation costs and potential damages claims.

These include:

- civil claims associated with alleged corporate losses
- bankruptcy-related creditor claims
- legal expenses associated with domestic and international proceedings.

The combination of criminal and civil litigation significantly increased the financial exposure of individuals and entities involved in the dispute.

## **5. Reputational Damage**

### **Impact on corporate management**

Criminal proceedings against former executives may have produced significant reputational consequences.

Potential impacts include:

- reputational damage affecting professional careers
- loss of corporate leadership opportunities
- reduced ability to participate in international business activities.

For senior corporate managers, such reputational harm can translate into long-term economic consequences.

### **Corporate reputation of TOAZ**

High-profile litigation and criminal proceedings may also affect the reputation of the company itself.

Potential effects include:

- increased scrutiny from international financial institutions
- heightened compliance concerns among commercial partners
- reputational risk in international commodity markets.

These factors can influence access to financing, insurance coverage, and commercial partnerships.

## **6. Broader Economic Consequences**

### **Impact on international commercial relationships**

The dispute involved several international actors, including trading companies, shipping operators, and financial intermediaries.

Legal uncertainty surrounding the company and its management may affect:

- long-term commodity trading relationships
- financing arrangements for export operations
- shipping and logistics contracts.

### **Implications for investment climate**

Corporate conflicts involving large strategic enterprises may influence broader perceptions of investment risk in the relevant jurisdiction.

Potential consequences include:

- increased caution among foreign investors
- higher perceived legal and political risk associated with large industrial assets
- reduced attractiveness of cross-border investment in similar sectors.

## **7. Summary of Economic Consequences**

The economic impact of the TOAZ dispute can be summarized across four principal categories.

### **Corporate governance impact**

- transfer of control over a major industrial enterprise
- replacement of management structures.

### **Asset redistribution**

- transfer of controlling shares of TOAZ
- bankruptcy and acquisition of TOMET.

### **Financial losses affecting individuals**

- legal defense costs
- asset seizures
- relocation expenses.

### **Reputational and market consequences**

- reputational damage to former executives
- compliance concerns affecting commercial relationships
- broader implications for investment perceptions.

## **Conclusion**

The dispute surrounding PJSC TogliattiAzot produced significant economic consequences affecting corporate ownership, individual financial positions, and broader commercial relationships.

The combination of litigation, criminal proceedings, and insolvency processes contributed to the redistribution of major industrial assets and generated substantial financial and reputational effects for individuals and corporate entities associated with the case.

### **Prepared by:**

Asylum Research & Global Assistance (ARGA)

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