



NAVIGATING NEW POLITICAL AND REGULATORY LANDSCAPES: STRATEGIC AND TACTICAL PERSPECTIVES FOR BUSINESS

September 2025

Russia in the global landscape

2030 prospect



Under the Russian Constitution, Vladimir Putin may remain President until 2036

By the 2030 elections, he will be 78 years old

Donald Trump – 84

Xi Jinping – 77

Narendra Modi – 80

Historical benchmarks:

- Winston Churchill stepped down as Prime Minister at the age of 80
- Konrad Adenauer left office at the age of 87



Political & Institutional Landscape

Stability at the very top:
presidency predictable until 2036

Formal presidential decrees often
diluted by bureaucracy

Government and ministries
remain volatile, reshuffles
possible anytime

Large professional bureaucracy =
both rigidity and alternative paths

Economic Dynamics



Kremlin's view: economy "doing well", plenty of fiscal space

Ongoing internal battles:

- Ministry of Finance pushing for higher taxes
- Central Bank defending the key rate

Growth shifting from exports to "domestic depth"

Many decisions shaped less by president, more by bureaucratic negotiation

Geopolitics & Business Outlook



Pivot to BRICS, SCO, Global South – but China/India not replacing the West

No warm relations with Brussels for 10–20 years

“Unfriendly countries” label gradually losing weight

Some sectors (e.g. FMCG, consumer brands) are lost for good

Future: highly sector-specific, company-by-company outcomes

How to Assess Effectiveness of the Company's GR Strategy and Risks?



Situational mobilization of attention:

Ad hoc risks emerging in case of changes in the political context or market situation (emergence of an influential competitor)

Case:

Pharmaceutical manufacturer

Regulators' awareness about the company

High



Cooperative strategy:

Provides opportunity for direct dialogue with stakeholders and an effective leverage in crisis situations

Cases:

National energy sector suppliers

Below the radar:

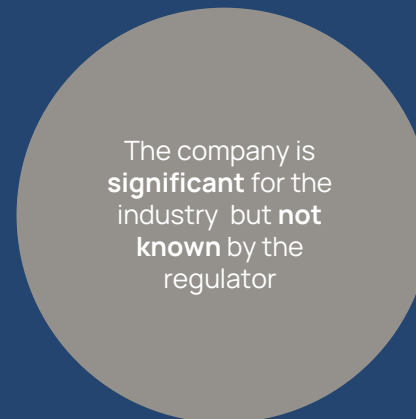
Ad hoc risks emerging in case of changes in the market conditions

Case:

Polymer products and solutions manufacturer

The company's significance for the industry

High



GR-vacuum:

Risks of administrative pressure on the company

Lack of effective mechanisms for the asset's protection in a crisis situation

Case:

Low-profile packaging manufacturer

Case Studies



Defending a Strategic Asset from Hostile Pressure (2024)

1

Context

- Early 2024: European-owned industrial subsidiary in Russia targeted after high-level inspection
- Petition from politically connected businessman (family-linked to top leadership).
- Presidential instruction → ministry → Prosecutor's Office inspections.

Challenge

- Real risk of forced ownership transfer under “unfriendly” ownership rules.
- Multi-agency pressure and prosecutorial oversight.

Our Approach

- Traced escalation path and clarified stakeholder dynamics.
- Discovered hidden strategic importance: sole supplier of specialized product to national energy sector.
- Prepared the arguments: supply security, certification, economic risks.
- Activated targeted external channel: engaged trusted association with direct access to key figure in Administration.
- Triggered second, entrepreneur-protection review in Prosecutor's Office → positive conclusion at high level.
- Aligned Government & Prosecutor's Office positions against transfer.

Outcome

- Inspections de-escalated; both institutions advised against transfer.
- Case closed; operations continued normally.

Takeaways

- Even under top-level political pressure, uncovering hidden national interests and using precise stakeholder channels can neutralize hostile agendas and protect foreign-owned assets.



Case Studies

Exit Under Presidential Decree 520 (2023-2024)

2

Context

- European industrial group with assets of strategic significance exiting Russia
- Asset covered by Decree 520 → required special Presidential permission
- HQ approves the local management as a buyer, alternatives not possible

Challenge

- Sequential approvals: Industry → Finance → Government → Presidential Administration → President
- Deputy PM for industry opposed the MBO transaction, favoring alternatives
- Initial negative opinions from both Industry and Finance ministries — transaction appeared blocked

Our Approach

- Identified procedural flaws in negative conclusions → file returned for reassessment
- Supported Ministry of Finance shift from negative to neutral-positive
- Reinforced buyer profile by adding a domestic investor alongside management
- Escalated to Prime Minister → direct instruction to Deputy PM to advance the case

Outcome

- 2024: Presidential permission secured
- Successful divestment to management-led structure
- Continuity of operations and orderly market exit ensured

Takeaways

- Even under Decree 520 and high-level opposition, disciplined process + targeted escalation enable predictable outcomes



Case Studies

Successful two-times dividends approval (2023, 2025)

3

Context

- Austrian industrial company with local production in Russia
- The company wished to obtain dividend approvals, including to keep global business owners' interest in continuing business in Russia, but not risk the Russian assets along this way.

Challenge

- Payment of dividends out of Russia to business owners from “unfriendly” countries banned by default since 2022, unless the line regulator and the Sub-Commission issue an approval.
- The regulators can refuse for no reason, and attach various conditions.
- The terms of dividend approvals at the level of the line Ministry and the Sub-Commission change each several months.
- The client lacks prior relationships with the Ministry of Industry and Trade

Our Approach

- Constructed a narrative and an application strategy, using the positive factors of a low public profile and continued investment
- Dividend application used to build long-term relationship with the line Ministry
- Advised the HQ to maintain a steady policy towards Russia, which is important both for approval processes and as an asset protection measure.

Outcome

- Approvals obtained twice,
- Company relationship with the line regulator established in a positive way.

Takeaways

- The dividend application can be used to build systemic relationship with the line regulator in case the company was previously below the radar, but maintained consistently positive approach to business in Russia

Case Studies



Sub-Commission approval for complex intra-group restructuring (2023-2024)

4

Context

- A German investor with industrial assets in Russia
- The Company applied for an MBO subject to approval by the Sub-Commission
- The Ministry of Industry and Trade de-facto prohibited MBOs since 2023 and blocked the Company's application

Challenge

- The Ministry of Industry and Trade was unwilling to consider the Company's application for an MBO
- Implicitly, the Ministry recommended other bidders not acceptable to the Company

Our Approach

- Analyzed the prior successful practice of other companies to re-position the MBO deals and bypass the ban
- Developed a strategy to review the deal terms as a corporate restructuring that allowed management to maintain operational control over the Russian assets.
- Secured support of a reputable business association to strengthen the Company's profile in the Ministry
- Properly briefed senior leadership of the Ministry
- Provided GR outreach at all stages of the deal review and after its closure.

Outcome

- The transaction approved by the Sub-Commission in the shortest possible term (2 weeks since the initial filing)
- The local management maintained operational control over the Russian assets.

Takeaways

- Even under the initial opposition of the line Ministry, creative approach to re-positioning the transaction makes possible to secure approval with the adjusted line of arguments



Case Studies

Pioneer case of IP sale approval for an “unfriendly” seller (2024-2025)

5

Context

- Foreign investor with local production wished to divest the local manufacturing part of the business and significant IP package
- The investor interested to maintain import and business in Russia post-closing.
- Approvals of the FAS and the Sub-Commission required, including precedent-setting approval for IP sale

Challenge

- The parties entered the transaction when IP sale rules have been just approved and there was no relevant practice
- The Ministry of Industry and Trade and the Sub-Commission members has limited political will to set up the precedent of IP sale transactions for the future
- The officially approved procedure required the involvement of the Ministry with zero experience of dealing with the Sub-Commission

Our Approach

- Devised a common filing strategy aimed at maintaining and improving long-term good standing with the line regulator
- Guided the client along the way amid frequent rule changes, new stakeholder involvement and varying relationship with the selected buyer who played their own game behind the scenes.

- Advised on best timings for proactive steps and necessary resources, including outreach and buyer involvement to overcome initial SC unwillingness to start IP approvals

Outcome

- Pioneer IP sale along with the share sale approval obtained,
- The client maintained good standing with stakeholders.

Takeaways

- In a precedent setting IP sale case, the combination of GR strategy of the Seller and the use of the buyer’s resource when necessary resulted in the best possible outcome.



Case Studies

Divestment from industrial asset of strategic significance (2022-2023)

6

Context

- European industrial group exiting Russia (2023–2024)
- Approvals of the FAS, the Sub-Commission and Strategic Investments Commission required
- Commercially attractive & profitable asset
- Politicized process requires careful navigation among the interests of stakeholders and bidders

Challenge

- The Seller executed SPA with a bidder unable or unwilling to get approvals
- Unauthorized bidders (SDNs) seek top level support for the acquisition

Our Approach

- Provided assessment of the selected buyer's ability to get approvals
- Estimated the threat posed by unauthorized bidders
- Strategized the repeated bidding process to maintain competition, not granting exclusivity to anyone before all approvals are obtained.
- Provided in-depth analysis of the strategy and ability to get approvals of all bidders to secure the client bet on a right horse

- Positioned the client as a company of foreign “friendly” origin before the Sub-Commission
- Controlled the buyer's efforts to get approvals so that its did not use its resource against the Seller's interests.

Outcome

- Sub-Commission and Strategic Investment Commission secured in less than one month after the filings
- The buyer convinced the Sub-Commission to reduce the payment installment to close the deal asap
- Divestment successfully closed

Takeaways

- In a highly politicized divestment process, competition between the bidders can be successfully used to accelerate the approvals on and acceptable terms and leverage the buyer's political resource

You did everything right. The ministry still said “No”



LEGAL DOCUMENTATION

REGULATORY COMPLIANCE

FORMAL APPLICATIONS

MINISTERIAL PRIORITIES & KPIS

INTER-AGENCY DYNAMICS

STAKEHOLDER INFLUENCE
NETWORKS

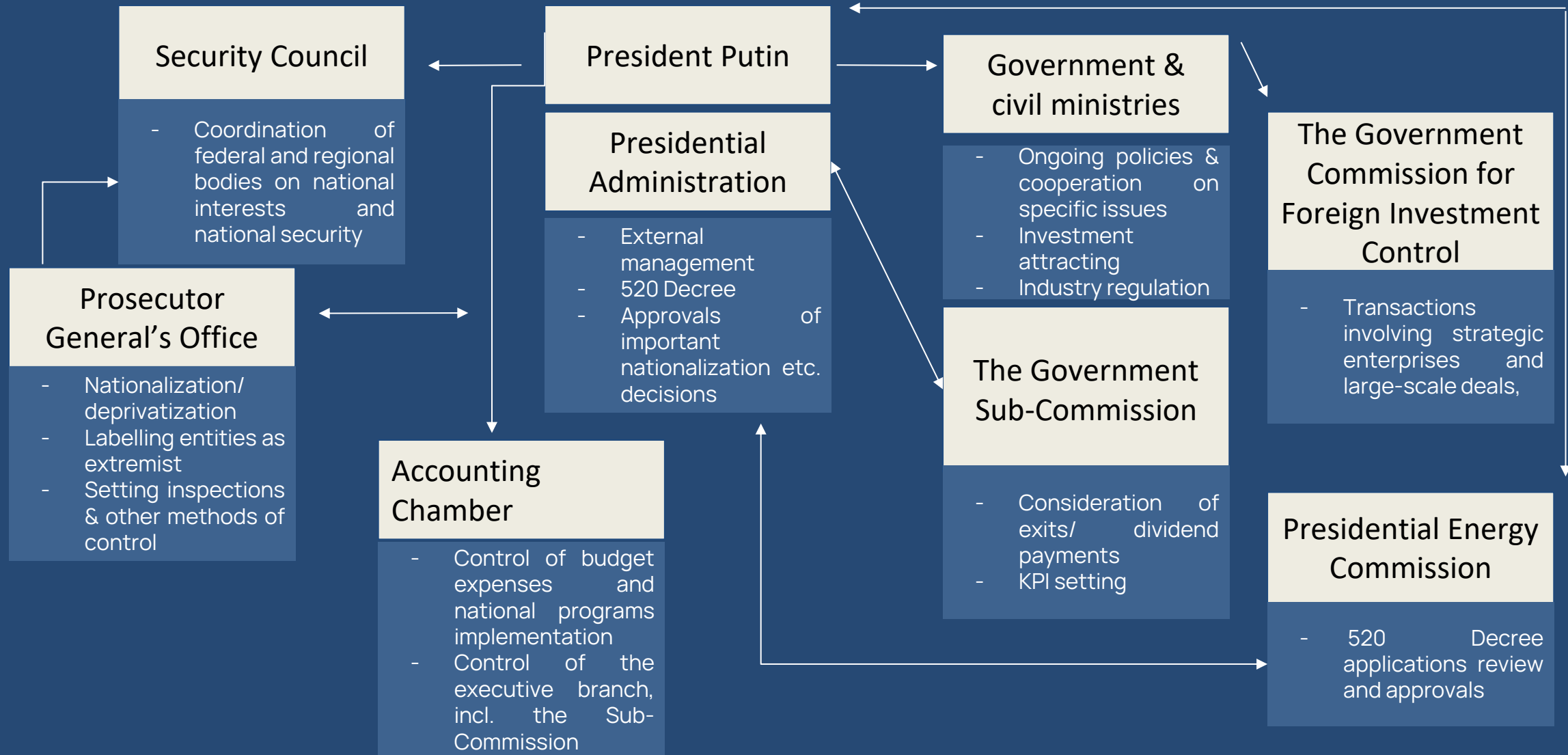
UNWRITTEN DECISION
CRITERIA

POLITICAL CONTEXT & TIMING



Appendix

Stakeholder landscape for foreign businesses





Foreign “Unfriendly” Businesses in Russia




The Government’s Strategic Outlook

For Those Who Stayed


 **How it is declared?** | Foreign (European) business is treated equally to the Russian one, but this requires equal approaches to investments and business development

 **How it works in practice?** | Foreign business is tolerated, keeping foreign assets as “exchange fund” is more important than squeezing companies out of the market

-  The environment poses **systemic risks**:
- Growing regulatory pressure to invest and help reach state KPIs: **pay to (stay in) play**
 - Asset control risks (external management): **just staying on the market is no more a protection**
 - Systemic political risks **related to Ukraine presence and activities**
 - Growing protectionism and import substitution trends

 *No silver bullet protection, risk mitigation adjusted on the go*

For Those Who Left

 **Declared and works in practice** | Perceived as most “unfriendly”, especially if left badly

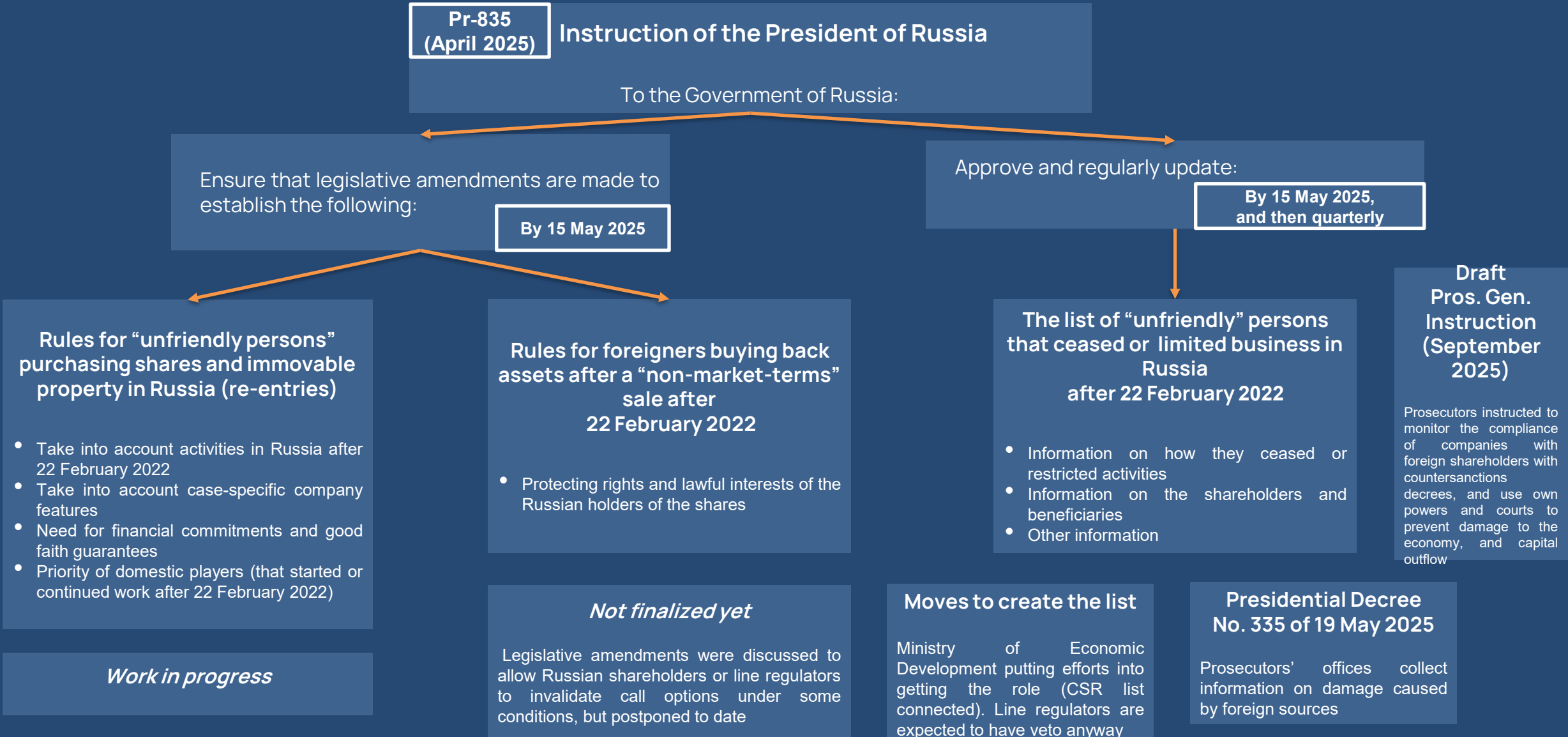
 This means **re-entries are not generally welcomed**:

- A highly selective and restrictive approach to possible re-entries
 - Geopolitics or acute industry need may outweigh
- **Three-part filter**:
 - Industrial
 - Political (track record of political statement and support for Ukraine)
 - Regulatory (*need for Sub-Commission and other approvals*)
- Industry regulators and domestic players to serve key decision-makers on return gates

More nuances follow next

Foreign Businesses in Russia

The New Framework



New Entry or Re-Entry

The Landscape for Those Who Left, and Newcomers

What could the entry or re-entry avenues be if all gets better (more likely for the US than the EU)?

“Brand new” investment

- Forms: Entry from scratch by creating a company OR using joint activity agreements
- Filter: The “big” Government’s Foreign Investment Commission for the ever wider strategic activities. *Exit track record in case this is a return, not a call option*

Using call options to buy assets back

	Call options approved by the SC	Call options NOT approved by the SC
The call option execution pre-approved by the SC	<i>Under the July 2023 rules (2 years, market price)</i>	
The call option execution NOT pre-approved by the SC	<i>Approved prior to the July 2023 rules</i>	<i>“Old” and “concealed” call options</i>

- Filter: The Sub-Commission, the Russian buyer, the line regulator. The exit track record

“Bouncing back” after self-imposed business limitations (not require the approvals)

- Forms: Reversal of imposed limitations on investment, imports, marketing, etc. AND/OR “waking up” a dormant entity
- Filter: Pure market trends, line regulators’ informal moves, law enforcement

New Entry or Re-Entry:

The Gatekeepers and Possible Terms

Key Stakeholders (Gatekeepers)



The General Gatekeeper | The Sub-Commission in reverse mode will apply common approaches



The Industry Gatekeepers | The line regulator and supervising deputy PM will guard their respective industries



The Law Enforcement Veto Player | The Office of the Prosecutor General and national security bodies to have the power to blacklist



The Competition Gatekeeper | the FAS will continue antitrust control, and monitor strategic activity signs



Special Gatekeepers:

- **For strategic activities:** The “big” Government’s Foreign Investment Commission
- **For the fuel and energy, and strategic companies:** The presidential fuel and energy commission

Possible Terms?



Reversed exit general conditions (“entry tax”, KPIs, etc.)



Industry-specific conditions (joint venture requirement, Russian control, IP rights transfer, investment and localization additional KPIs, etc.)



Russia exit track record conditions

Contacts



Evgeny Roshkov

Managing Partner

e.roshkov@kesarev.com



Evgeny Korchevoy

Senior Counsel

e.korchevoy@kesarev.com



Evgeny Tonevitsky

Senior Counsel

e.tonevitsly@kesarev.com



Subscribe to our LinkedIn
devoted to Government Relations

Office

Kurfürstendamm, 15, Berlin,
kesarev.partners
info@kesarev.com
[kesarev.partners](https://www.kesarev.partners)