



## Ukraine Seizes 5 Major Companies From Billionaire Oligarchs For 'Wartime Needs'

### Description

For the first time since the Russian invasion began back in February, the Ukrainian government has invoked wartime laws to dramatically intervene into the private business sector, **seizing five "strategically important" companies** for state and military use. It comes a year after President Zelensky's so-called "de-oligarchization" reforms and targets companies run by some of Ukraine's wealthiest billionaire businessmen – at least a couple of which are facing major corruption investigations.

Defense Minister Oleksii Reznikov [announced](#) Monday at a press briefing in Kiev, "As of today, the specified assets are managed on behalf of the state and in the interests of the entire security sector — **to meet the needs of the Armed Forces and the entire defense sector.**"



*Influential Ukrainian billionaire Ihor Kolomoisky, via TASS.*

Specific “urgent” military and national needs which were cited include maintaining fuel supply and adequate equipment repair lines, as well as accessing steady quantities of industrial lubricants. The companies were transferred directly under management of Ukraine’s defense ministry. “This is about providing fuel and lubricants, repairing military equipment and weapons,” Reznikov said.

The National Securities and Stock Market Commission starting Sunday issued the order to secure shares in aircraft engine manufacturer Motor Sich, oil producer Ukrnafta PJSC, and oil-refining company Ukrtatnafta. These latter two oil industry companies were controlled by **Igor Kolomoisky, a controversial previously pro-Zelensky oligarch under investigation for the insolvency of PrivatBank**. Also seized were truck maker Avtokraz and parts supplier Zaporizhtransformator.

As for the oligarchs behind MotorSich, AvtoKraz, Zaporizhtransformator, the FT profiles them as follows:

- *Vyacheslav Boguslaev, MotorSich’s former owner and president, was arrested last month on treason charges. Local prosecutors allege he funnelled through sanctioned export operations helicopter engines that Moscow needed. Boguslaev sold his controlling stake in MotorSich to Chinese company Skyrizon many years ago, but Ukrainian trust and security authorities blocked the move by freezing the shares. Both Kolomoisky and Boguslaev have denied wrongdoing.*
- *AvtoKraz, a truck manufacturer which produces vehicles for domestic military transport as well as rocket systems, was also among the groups taken under state control. It was previously owned by Ukrainian oligarch Kostyantyn Zhevago, who has lived in exile in the past years as Ukrainian authorities pursued cases against him related to the insolvency of a bank he previously owned.*
- *Zaporizhtransformator, an electricity grid parts producer located in Zaporizhzhia, was also seized by the state. Previously owned by businessmen including Kostyantyn Grigorishin, its seizure is designed to secure stable supply of parts needed to repair Ukraine’s electricity infrastructure.*

Ukraine government authorities vowed in the Monday statement that **“After martial law is lifted, these assets may be returned to their owners or their value may be reimbursed.”**

And further, “These enterprises must operate 24 hours a day, seven days a week for the needs of the state’s defense.”

“In connection with military necessity, a decision was made to expropriate the assets of strategically important enterprises into state ownership,” the Secretary of Ukraine’s National Security and Defense Council, Oleksiy Danilov, explained further in a joint presser.



*Monday’s presser: Oleksii Reznikov, left, Denys Shmyhal, center, and Oleksiy Danilov, via AFP/Getty Images*

The unprecedented move comes amid the backdrop of Russia’s persistent devastating aerial attacks on the country’s energy infrastructure, with some 40% of all electrical facilities having been damaged or destroyed.

In announcing the state seizures, Ukrainian officials quickly went on defensive, given they’ve consistently cast the current crisis as Kiev leading the way in defending not only Ukrainian democracy but also “**European Democratic values**” more broadly. “We are defending not only Ukraine, but also European democratic values,” Kyiv Mayor Klitschko and Ukrainian Minister Chernyshov told an EU body of lawmakers last month.

Perhaps bracing for criticisms from some nervous corners of the Ukrainian private sector, Reznikov was quoted *Reuters* on Monday as **claiming these are not “nationalizations”** – but instead he argued, “This is a direct taking over of assets during wartime. These are totally different legal forms.” There were no statements coming from the five companies Monday in reaction to the state takeovers.

by Tyler Durden

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