

# **Russian Government Tightens Control Over Former Foreign Enterprises**

news

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According to media reports, the Russian government and its specialized agencies have initiated inspections to assess the achievement of key performance indicators (KPIs) in companies acquired from foreigners linked to "unfriendly states" [2]. Although the legislation doesn't clearly outline the consequences of failing to meet these KPIs, penalties could include the termination of business deals.

These inspections have been sanctioned by a subcommittee of the government commission overseeing foreign investment in Russia [2][3].

*"There is information that, as recently as a month ago, certain agencies were selectively sending requests to companies asking them to provide details on their compliance with the KPIs," said Doroshko, a lawyer with ASB Consulting Group [1].*

The Ministry of Finance's control over transactions involving the transfer of private property from foreign companies is primarily aimed at protecting the interests of Russian entrepreneurs. For example, one criterion for approving such deals is a mandatory 50% discount on the asset's value, as determined by an independent expert. This policy benefits shrewd businessmen, allowing them to acquire assets at significantly undervalued prices and thereby maximize their profits. Meanwhile, workers find themselves in an even more precarious situation, as the authorities show no concern for their welfare. No requirements are imposed on the new owners to protect workers' rights, highlighting how capital seeks to exploit resources that should rightfully serve the interests of society — not just enrich a small elite.

This approach is not surprising, given that the primary goal of capitalism is not the welfare of society but the relentless pursuit of profit by entrepreneurs. These capitalists constantly vie for the control of property, markets, and raw materials. Their fierce competition, coupled with the exploitation of common people, brings nothing but misery, poverty, and destruction to all aspects of the working class's lives. This is the nature of the market economy, driven by private property, speculation, and exploitation — all tools for the enrichment of the oligarchs.

The only way to stop the decline in living standards and the collapse of the economy is to dismantle capitalism, which has proven incapable of advancing society. Instead, it continues to tear it apart with ever-deeper contradictions. Only socialism, which eliminates exploitation and speculation (which really benefits only a few billionaires), can systematically develop all sectors of industry with its public ownership of the means of production. In doing so, it lays the material foundation for a prosperous future for the common people.

Sources:

[1] RBC — ["Authorities strengthen control over KPIs in companies bought out from foreigners"](#) dated August 14, 2024.

[2] RBC — ["The authorities have decided to introduce a contribution to the budget when assets are sold by foreigners"](#) dated December 21, 2022.

[3] Ministry of Finance of the Russian Federation — ["Extract from the Decision of the Subcommittee of the Government Commission for Control over Foreign Investment in the Russian Federation No. 171/5"](#) dated July 7, 2023.

Original article