

# Pandora Papers Reveal Offshore Holdings of Ukrainian President and his Inner Circle

 Credit: James O'Brien/OCCRP

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**Ukrainian President Volodymyr Zelensky rode to power on pledges to clean up the Eastern European country, but the Pandora Papers reveal he and his close circle were the beneficiaries of a network of offshore companies, including some that owned expensive London property.**

## Key Findings

Ukrainian President Volodymyr Zelensky and his partners in comedy production owned a network of offshore companies related to their business based in the British Virgin Islands, Cyprus, and Belize.

Zelensky's current chief aide, Serhiy Shefir, as well as the head of the country's Security Service, were part of the offshore network.

Offshore companies were used by Shefir and another business partner to buy pricey London real estate.

Around the time of his 2019 election, Zelensky handed his shares in a key offshore company over to Shefir, but the two appear to have made an arrangement for Zelensky's family to continue receiving money from the offshore.

Actor Volodymyr Zelensky stormed to the Ukrainian presidency in 2019 on a wave of public anger against the country's political class, including previous leaders who used secret companies to stash their wealth overseas.

Now, leaked documents prove that Zelensky and his inner circle have had their own network of offshore companies. Two belonging to the president's partners were used to buy expensive property in London.



The revelations come from documents in the Pandora Papers, millions of files from 14 offshore service providers leaked to the International Consortium of Investigative Journalists and shared with partners around the world including OCCRP.

The documents show that Zelensky and his partners in a television production company, Kwartal 95, set up a network of offshore firms dating back to at least 2012, the year the company began making regular content for TV stations owned by Ihor Kolomoisky, an oligarch dogged by allegations of multi-billion-dollar fraud. The offshores were also used by Zelensky associates to purchase and own three prime properties in the center of London.

The documents also show that just before he was elected, he gifted his stake in a key offshore company, the British Virgin Islands-registered Maltex Multicapital Corp., to his business partner — soon to be his top presidential aide. And in spite of giving up his shares, the documents show that an arrangement was soon made that would allow the offshore to keep paying dividends to a company that now belongs to his wife.



Credit: Mykhailo Palinchak / Alamy Stock Photo

**Volodymyr Zelensky.**

A comedian and actor who had been famous since the 2000s, Zelensky began his political rise a few years after taking on a starring role in the political satire “Servant of the People,” which began airing on the oligarch’s network in 2015. The show starred Zelensky as a humble history teacher whose anti-corruption rant in class is filmed by a student, goes viral online, and wins him national office.

In a case of life imitating art, Zelensky ended up winning the real-world Ukrainian presidency just three-and-a-half years after the show’s launch, with more than 73 percent of the vote.

Zelensky capitalized on widespread public anger at corruption, but his 2019 campaign was dogged by doubts over his anti-graft bona fides, given that his campaign was boosted by media belonging to Kolomoisky — who is accused of stealing US\$5.5 billion (<https://www.occrp.org/en/investigations/oligarchs-weaponized-cyprus-branch-of-ukraines-largest-bank-to-send-5-billion-abroad>) from his own bank and funneling it offshore in concert with his partner, Hennadiy Boholiubov.

In the heat of the campaign, a political ally of incumbent President Petro Poroshenko published a chart on Facebook purporting to show that Zelensky and his television production partners were beneficiaries of a web of offshore firms that allegedly received \$41 million in funds from Kolomoisky’s Privatbank.



That ally, Volodymyr Arieiev, didn't provide evidence, and his accusations have never been proven. But the Pandora Papers show that at least some of the details in this alleged scheme correspond to reality. The leaked documents show information on 10 companies in the network that match structures detailed in Arieiev's chart.

The new documents show that part of the network was managed with help from Fidelity Corporate Services, an offshore consultancy that was one of 14 firms whose documents make up part of the Pandora Papers leak. The documents show that Zelensky and his partners used companies based in the British Virgin Islands (BVI), Belize, and Cyprus.

Two of Zelensky's associates in the offshore network, who were also part of his TV production company, now hold powerful positions. Serhiy Shefir is Zelensky's top presidential aide, while Ivan Bakanov heads the Security Service of Ukraine.

These powerful positions also come with risks. Shefir narrowly escaped an apparent assassination attempt when his car was fired on outside Kyiv on September 22. He was unharmed, but his driver was wounded.

Zelensky has repeatedly pledged to rein in oligarchs. The day after the attack on Shefir, the country's parliament passed a bill that would create a register of oligarchs and bar them from financing political parties or taking part in privatizations. Zelensky said that the attempt on Shefir's life will receive a strong response and will not influence his fight against vested interests.

A spokesman for Zelensky declined to comment. Shefir and Bakanov did not respond to questions.



Credit: ZUMA Press, Inc. / Alamy Stock Photo

Serhiy Shefir (right) and Volodymyr Zelensky (left) at Zelensky's presidential campaign headquarters in 2019.

Serhiy Shefir's brother Borys, who is a part-owner of Maltex Multicapital Corp, said he may indeed be an owner, but was unaware of the details of the offshore arrangement, which was largely the work of Ukraine's now-Security Service chief, Bakanov.

"Bakanov was our financial director, he set up the financial schemes of our company. Speaking honestly, I'm not ready to respond to you," he said.



Borys Shefir said such offshore arrangements were necessary because of the threat to the company of “authorities and bandits.” Kvartal 95’s members were moving to divest themselves of offshores, but it was a slow and difficult process, he said.

## ***Mr. Holmes’ New Neighbors***

It is unclear what most of the offshore network was used for, but a partial answer to the mystery can be found on London’s Baker Street, near the residence of another famous fictional character: Sherlock Holmes.

Pandora Papers documents show a network company was used to purchase an apartment in London just a short walk from the museum that now stands at 221b Baker Street, the address of Sir Arthur Conan Doyle’s legendary detective. The area is one of several pricey parts of London favored by foreign investors using anonymous shell companies.



Credit: Aubrey Belford/OCCRP

The Chalfont Court building on London’s Baker Street where Serhiy Shefir bought an apartment.

That apartment, a three-bedroom flat on Glentworth Street, was bought for 1.58 million pounds (\$2.28 million) in 2016 by a Belize company owned by Shefir, SHSN Limited. A two-bedroom flat nearby in Baker Street’s Chalfont Court building, which was bought by Shefir for 2.2 million pounds (US\$3.5 million) in 2014, was also transferred to SHSN Limited in 2018.

The documents also show that another Kvartal 95 shareholder, Andrii Iakovlev, obtained a roughly 1.5-million-pound (\$2.3 million) apartment in the Westminster Palace Gardens building, a short walk from the Houses of Parliament, in 2015 after his BVI company purchased another BVI company that owned the property.

When contacted by a reporter, Iakovlev said: “Young lady, I don’t speak with people I don’t know. Contact our lawyers.”

Iurii Azarov, a Ukrainian lawyer who has worked for Zelensky and his partners and whose name appears on some of the documents found in the Pandora Papers, also declined to comment.

## ***Mid-Election Maneuvering***

There is no sign that Zelensky himself was a part of the London property deals. However, the documents show that he was a key player in other parts of the offshore network.

At the center of the web of foreign firms is Maltex Multicapital Corp, which has never before been linked to Zelensky.



By 2017, Maltex was divided equally between shell companies belonging to Zelensky, Iakovlev, and brothers Serhiy Shefir and Borys Shefir. Ivan Bakanov, another Kwartal 95 partner who now serves as Ukraine's secret police chief, was the beneficiary of another company that acted as nominee and trustee for the four other men's ownership of Maltex.

Zelensky, together with his wife, owned a quarter of Maltex through a Belize-registered firm called Film Heritage. But in 2019, in the heat of Zelensky's election campaign, Film Heritage transferred its ownership of Maltex to another company owned by Serhiy Shefir, the soon-to-be presidential chief assistant. The transfer documents were prepared by Iurii Azarov.

The deal provided Zelensky with a measure of distance from the offshore network, while costing him nothing.

"The share certificate demonstrates that no money was paid by the receiving party. Therefore the ownership was merely transferred from one name to another," said Martin Woods, a financial crime consultant who reviewed the documents for OCCRP.

Roughly six weeks later, the same lawyer, Azarov, signed another document that stipulated that Maltex would continue to pay dividends to Zelensky's Film Heritage — even though it no longer owned any stake in the company. The document, a client profile of Maltex prepared for Fidelity, disclosed that the company's five largest sources of revenue were Ukraine, Belarus, Russia, Belize, and Cyprus.

The Pandora Papers documents do not contain details on the size of any dividend payments, or how many may have been made. Since 2019, Zelensky's wife, Olena Zelenska, has been the sole beneficial owner of Film Heritage, according to the online registry of officials' asset declarations, meaning any subsequent payments would have flowed to her.

Financial crime consultant Woods said the share transfer was possibly a "charade" aimed at hiding a stake in Maltex while still being able to make money off it. Zelensky has not mentioned Maltex in any of his public asset declarations, including one filed for 2018, when he still owned 25 percent of the company.

In such an arrangement, "the real owner has placed another person to act as his or her proxy to pretend to be the shareholder," Woods said.

"The person making the transfer wants to retain the shares and the benefit of the shares, but doesn't want other people to know that that is the situation.

In response to questions sent by Pandora Papers reporters, Fidelity confirmed it was the registered agent for Maltex Multicapital Corp, but it said that Zelensky was not currently an owner or beneficiary of any company under its administration.

"The present Ukrainian president is not our client, nor does he have any ownership or any other position in any entity under our administration," Fidelity said.

The company also argued that there would have been nothing wrong to have worked for Zelensky prior to his ascent to political office in 2019. "We don't see any valid reason why such a private citizen should be precluded from venturing to conduct his business internationally, including through a BVI [British Virgin Islands] business Company, if so deemed fit."

The company did not respond to follow-up questions about Zelensky's other partners, as well as the transfer of his shareholding in Maltex Multicapital Corp to Shefir's partners.

## ***A Wider Web***

The documents in the Pandora Papers also contain details that dovetail with broader allegations of offshore machinations leveled against Zelensky and his partners during the 2019 election.

During the campaign, the pro-Poroshenko member of parliament Arieiev claimed that Zelensky and his partners were the beneficiaries of an offshore network of companies that received \$41 million in payments that originated from Privatbank, the Ukrainian financial institution that the oligarch Kolomoisky is alleged to have looted.

Arieiev's allegations were detailed in a chart he publicized on Facebook showing a complex web of transactions between layers of companies based in offshore havens including the BVI, Cyprus, and Belize. The chart showed money flowing from the bank via a series of apparent shell entities to companies alleged to have been owned by Zelensky and associates.

Arieiev has not provided documentation to back up his claims.



However, the Pandora Papers documents do provide the first corroboration for elements of his allegation: that 10 of the companies that allegedly received the money really did belong to Zelensky and his partners. Such information has not previously been publicly available.

The new documents do not, however, corroborate Arieiev's claims that the offshores received funds from Kolomoisky's Privatbank. They provide only fragmentary information about how money moved through Zelensky and his partners' offshore network. The financial flows that are visible from the documents appear to be connected to their television production business, of which Kolomoisky was a client.

The leaked documents show the offshore network was set up by individuals behind Kwartal 95 in 2012, the same year in which local media reported that Kwartal 95 entered into a production deal with Kolomoisky's 1+1 Group.

The Pandora Papers show that SVT Films Ltd, a company that was as of May 2013 half-owned by the BVI holding company Maltex, was to be paid \$1.2 million in licensing fees by January 2013 by an offshore company linked to Kolomoisky's 1+1 network for the television program "Make a Comedian Laugh."

In 2015, a company called Gimentiano Holdings Ltd, which was ultimately owned by Zelensky's friend Andriy Iakovlev, also received \$750,000 into its account at the Cyprus branch of Kolomoisky's Privatbank. The money came from SVT Films Ltd. for "payment of interim dividends."

OCCRP has [previously reported that the Cyprus branch played a key role](#) ([/en/investigations/oligarchs-weaponized-cyprus-branch-of-ukraines-largest-bank-to-send-5-billion-abroad](#)) in Kolomoisky and his partner's alleged multi-billion-dollar theft from the bank. Kolomoisky's partner, Boholiubov, declined to respond to questions sent by reporters that were addressed to both men.

Even as Zelensky pushes his anti-oligarch campaign, some continue to doubt his sincerity. Among them is Ruslan Ryaboshapka, who was picked by Zelensky as the country's top prosecutor in 2019, but ousted from the role in early 2020. He told OCCRP he believes this was due to pressure from the oligarch Kolomoisky.

"A president shouldn't own offshore companies. In general offshore companies are bad, whether they're owned by a president or not," Ryaboshapka said.

He called moving money offshore "an old tradition" in Ukraine, because the country was perceived as a dangerous place with "no rule of law." But still, the use of such companies today raises red flags of "tax evasion or the legalization of dirty money," he said.

"That's the essence of offshore companies."

***Aubrey Belford (OCCRP), Margot Gibbs (ICIJ), Luke Harding (The Guardian), and Simon Goodley (The Guardian) contributed reporting.***

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