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Armenia: Politically Explosive Power Company Gets Another Russia-Based Owner

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Armenia's President Serzh Sargsyan

After months of speculation, the Electricity Networks of Armenia, the power company whose price hike touched off massive anti-government protests this summer, reportedly has a new owner — the Tashir Group. The Moscow-based holding company entity is owned by one of the world's wealthiest entrepreneurs, Armenia-born Samvel Karapetyan.

With this transaction, ENA will have passed into hands deemed safe for the Armenian government: According to Prime Minister Hovik Abrahamyan, the government itself asked Karapetyan to purchase the company after its previous owner, the Kremlin-linked Inter RAO, expressed a desire to sell.

The move could have significant benefits for Yerevan. Prior to the sale, the government had pledged it would cover the cost of price increases for many consumers. But now, Karapetyan

has indicated that he will use his "personal resources" to help the government provide electricity subsidies, media reported.

ENA's sale has some murky points, however. Although the Tashir Group, headquartered in Moscow, has been officially recognized as ENA's buyer, Armenia's Public Services Regulatory Commission on October 1 stated that it had approved the sale of the distribution company to Liormand Holdings Limited, a Cyprus-registered entity.

According to regulators, the company guaranteeing that Liormand Holdings will meet ENA's financial obligations is Kaskad Energo Holding, part of Karapetyan's Tashir Group.

Armenian and Russian media have attributed Liormand to Tashir — either by ownership or by association — but few details about the company are publicly available.

Founded in 2010, its registered offices are situated in what a developer describes as a four-story building of "super-luxurious flats" in the Cypriot port city of Larnaca.

Liormand doesn't have the place to itself, however. The flat is listed as the registration home for at least other 19 companies, including one Tashir International Holdings, according to the Cyprus business registry.

Online information about Liormand's shareholders could not be immediately obtained, but its ownership structure changed just five days before the first announcement of the ENA deal, the Cyprus registry shows. The company's new director is Stablo Advisors, Limited, a firm of unclear origins. Acting as secretary is another Cyprus-registered firm, Executive Secretarial, Ltd.

Executive Secretarial holds the office of secretary — a position required for business registrations in Cyprus — in at least some 15 Cyprus-registered companies, including in that of Liormand's previous director, Turva Management.

Tashir, Liormand, Executive Secretarial and Turva Management are snugly registered in the same "super-luxurious" flat in Larnaca. They hold one officer in common — Andreas Chatzimichail, who serves as a director in them all.

A woman who answered the telephone number listed for the address promptly hung up when asked for Executive Secretarial.

Clarification about the relationship between Liormand and the Tashir Group has not come from the Armenian government.

When announcing the government's September 17 approval of the sale of Armenia's power distributor to Liormand, Economy Minister Karen Chshmarityan told journalists that "I don't have the information to show what kind of company this is," Interfax reported. Similarly, Energy Minister Yervand Zakharyan conceded that he couldn't say whether or not Karapetyan owns Liormand. "I don't have the details," he said.

The two ministers indicated that clarification would come once Liormand's documentation was reviewed last week, but, so far, further details could not be found.

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