The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russian Millionaires Hold Two-Thirds of Their Money Abroad, Report Says

October 31, 2018



Artyom Geodakyan / TASS

Russian millionaires hold less than a third of their financial assets in banks in the country — $140 billion — against $315 billion abroad, according to a new report published by the Russian analytical company Frank RG.

President Vladimir Putin has repeatedly called on wealthy Russians to bring their capital back to the country in what has been called the government's "de-offshorization" campaign. In December last year, Putin said that wealthy Russians facing the threat of U.S. sanctions would be allowed to anonymously bring home up to $3 billion of their assets via new government-issued bonds.

Related article: Putin To Let Sanction-Hit Oligarchs Return $3 Bln to Russia, Anonymously

According to Frank RG, wealthy Russians who own at least $1 million in financial assets hold

about 30% of their funds in Russian banks.

Compared to 2017, Russian banks this year saw a 15.1% increase in the accounts of their Russian clients, however only 5% of this growth was the result of a return of capital from abroad, despite government efforts, Frank RG reported.

Commenting on the report, Ernst & Young (EY) analyst Anton Ionov told the RBC news website that foreign sanctions on Russia have only increased capital outflow out of the country.

"The population sees that risks are increasing and therefore are withdrawing money from Russia into valuable papers and foreign currencies in case the situation worsens," he was cited as saying.

Frank RG conducted the study in April–October 2018 based on data from 11 Russian banks and their private banking departments. In total, the study covered 27,000 people.

Original url:
https://www.themoscowtimes.com/2018/10/31/russian-millionaires-hold-two-thirds-of-their-money-abroad-report-says-a63355