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Moscow Court Upholds 'Extremist' Label for Galitsky's Venture Capital Fund

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Alexander Galitsky. **Moskva News Agency**

A Moscow judge on Tuesday upheld a lower court ruling designating tech entrepreneur Alexander Galitsky's venture capital fund as an "extremist" organization and seizing 8 billion rubles ($97.5 million) worth of assets.

Galitsky's Almaz Capital was initially banned in March by the Tverskoy District Court. The court also ordered the confiscation of Galitsky's assets and those of "affiliated individuals," which included real estate properties in Moscow and the surrounding Moscow region.

Though the nature of the allegations was not disclosed at the time, the Vedomosti business newspaper reported that Galitsky was accused of holding pro-Ukrainian views, while Almaz Capital was alleged to have sent $50 million to Ukrainian companies that produce weapons, ammunition and drones.

On Monday, Vedomosti reported that Galitsky had appealed both the "extremist" designation and the confiscation of 8 billion rubles in assets, which were reportedly transferred to the

state defense conglomerate Rostec.

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According to the state-run TASS news agency, Galitsky filed the appeal by mail and did not show up at the hearing in person. In addition to rejecting that appeal, the Moscow City Court also struck down a motion to transfer the case to the Russian Supreme Court.

Almaz Capital is headquartered in Portola Valley, California, but it has offices in several countries, including the Netherlands. Galitsky holds Dutch citizenship.

Galitsky, 71, is considered a key figure in the history of the Russian internet for his work pioneering Wi-Fi and virtual private networks (VPNs) in the 1990s.

Born in Ukraine, Galitsky founded Almaz Capital in 2008 to help connect Western money with start-ups in Russia and Eastern and Central Europe. Almaz Capital stopped investing in Russian projects after the 2014 annexation of Crimea, while Galitsky sold off his remaining stakes in Russian companies after the 2022 invasion of Ukraine.

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