

Kremlin Rejects Foreign Candidate for Alrosa Director

By [The Moscow Times](#)

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The Kremlin has rejected the candidacy of Ernst & Young auditor Michael Lynch-Bell for the post of independent director at the state diamond monopoly Alrosa, a news report said Tuesday.

The Economic Development Ministry had nominated Lynch-Bell together with head of the Russian Union of Industrialists and Entrepreneurs, Alexander Shokhin, in an attempt to make Alrosa more attractive to investors prior to an initial public offering.

But Sergei Ivanov, who as the Kremlin chief of staff approves senior appointments in the strategic sectors of the Russian economy, has rejected Lynch-Bell's candidacy, possibly putting Alrosa in a precarious situation before the float, Kommersant reported. Shokhin's candidacy was approved, it said.

The Kremlin and Alrosa have not commented on the matter.

Alrosa, which has two independent directors, had wanted to strengthen its board with two additional directors, who would be elected at the annual stockholder meeting in the summer of 2013, ahead of the planned IPO.

The Economic Development Ministry announced Monday that three investment banks — JP Morgan, Morgan Stanley and Goldman Sachs — were on the shortlist of banks to organize the offering. The winner will be determined within a week, a ministry official told Prime agency.

The Federal Property Management Agency and Sakha's regional property management agency are to sell a combined 14 percent of Alrosa for 24 billion rubles (\$800 million) this year.

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