

2025

# France, Monaco and Russia



Pax Consulting

07-07-2025

INDEX

- 1. SUMMARY ..... 3
- 2. ELECTION OF THE MINISTER OF STATE ..... 3
  - 2.1 How it works..... 3
  - 2.2 Recent problems..... 3
- 3. THE RUSSIAN COMMUNITY IN MONACO ..... 4
  - 3.1 Key Figures..... 4
  - 3.2 Why Their Presence Matters..... 4
- 4. WHERE THESE THREADS CONVERGE..... 4
- 5. CONCLUSIONS ..... 5

# 1. SUMMARY

The Principality of Monaco is one of the world's smallest yet wealthiest sovereign states — a constitutional monarchy surrounded by France and historically dependent on its larger neighbour for defence and foreign policy. This article explores how Monaco's **delicate relationship with France** has recently come under strain, especially regarding the **appointment of the Minister of State**, a powerful head of government chosen in consultation with Paris.

At the same time, Monaco has become a favoured haven for **wealthy Russian elites**, whose presence adds layers of complexity to the principality's political and diplomatic posture — particularly in the context of EU sanctions and heightened scrutiny of offshore wealth.

This paper examines how these three strands — the Prince's sovereignty, France's oversight, and the influence of the Russian expatriate community — are interwoven, exposing tensions at the very heart of Monaco's status as a luxury haven with a “special relationship” with France.

## 2. ELECTION OF THE MINISTER OF STATE

Monaco's political system is that of a constitutional monarchy. The Prince, currently Albert II, remains the head of state, but daily administration is handled by the Minister of State, who acts as the equivalent of a prime minister.

### 2.1 How it works

- Traditionally, the Minister of State is a French national, chosen by the Prince but nominated from a shortlist proposed by the French government.
- This arrangement stems from Monaco's longstanding treaties with France, notably the 1918 and 2002 accords, which ensure the Principality's foreign policy remains aligned with French interests.
- The Minister of State oversees executive services, countersigns laws and ordinances, and acts as a gatekeeper between the Palace and the administration.

### 2.2 Recent problems

In mid-2025, Prince Albert II's attempt to appoint Philippe Mettoux, a senior French civil servant, sparked controversy. Mettoux withdrew his candidacy days before taking office, citing internal resistance and “negative forces” determined to block his proposed governance reforms.

Reports indicate that the Élysée Palace (President Macron's administration) was not properly consulted in advance and pressured for Mettoux's withdrawal — highlighting how France continues to play a decisive role in

high-level appointments, ensuring that Monaco's government remains trustworthy and aligned with EU standards.

Albert II subsequently appointed Christophe Mirmand, an experienced French préfet seen as a safer, consensus figure acceptable to both local factions and Paris.

This episode revealed deep-seated tensions between the Prince's desire for sovereign decision-making, the entrenched interests of Monaco's old guard, and France's determination to protect its strategic influence.

### 3. THE RUSSIAN COMMUNITY IN MONACO

Parallel to this institutional drama, Monaco's wealthy Russian expatriate community has become one of the most visible and influential groups in the principality.

#### 3.1 Key Figures

- **Dmitry Rybolovlev:** Billionaire owner of AS Monaco FC since 2011, often described as the "tsar of Monaco". He is widely popular with football fans and has invested heavily in real estate and luxury assets, including superyachts and an extensive art collection.
- **Ekaterina and Vladimir Semenikhin:** The Semenikhins, honorary consuls of Moscow and Kazakhstan respectively, are major art patrons whose foundation hosts exhibitions both in Monaco and Russia.
- **Other elites:** Wealthy Russians and their families maintain luxury lifestyles through private galleries, yacht charters, exclusive concierges, and significant charitable donations — all reinforcing their soft power within the local community.

#### 3.2 Why Their Presence Matters

These high-net-worth individuals contribute greatly to Monaco's economy and cultural prestige. They sponsor museums, host galas, and foster Franco-Russian cultural ties. However, their wealth — sometimes linked to oligarchic or sensitive Russian capital — makes Monaco vulnerable to reputational risks, especially given the EU's sanctions regime against certain Russian nationals since the Ukraine crisis.

### 4. WHERE THESE THREADS CONVERGE

The *Minister of State crisis*, Monaco's **need for French approval**, and the **Russian elite presence** converge in the same dilemma: **How does Monaco remain a discreet, welcoming haven for the world's billionaires while ensuring its governance is transparent and acceptable to France and the EU?**

- The recent appointment scandal highlights the **power struggle** between the Prince's vision of modernization, the old local elites' resistance to change, and France's vigilance.

- The Russian community's significant economic contribution gives them indirect influence, making the local political ecosystem more fragile — especially when there are competing interests between local patrons and external oversight.
- France and the EU increasingly expect Monaco to apply anti-money laundering standards and to cooperate on sanctions, meaning the Principality must prove it can handle its expat billionaires responsibly.

The **risk** is that if Monaco's governance appears too lenient or captured by vested interests — including wealthy expats — France could assert more control, threatening the Prince's delicate balancing act.

## 5. CONCLUSIONS

Monaco's prosperity depends on **maintaining an open, luxurious environment for ultra-wealthy residents** while safeguarding its reputation as a serious, transparent jurisdiction. The events of 2025 show how easily that balance can falter:

- ✓ France remains the ultimate backstop, ensuring that **Monaco does not drift too far from EU policy norms**.
- ✓ The Minister of State's role is pivotal — both as a local administrator and as a symbol of Monaco's willingness **to align with Paris**.
- ✓ The Russian community's influence is a double-edged sword, bringing wealth and prestige but also exposing Monaco to scrutiny and political friction.

Going forward, **Prince Albert II's challenge will be to hold these three legs** — local elites, France, and the expat wealth base — in equilibrium, protecting Monaco's unique sovereignty and its status as the Riviera's crown jewel.