

Structures, governance and succession

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The large trading houses have distinctive governance structures, inherited from their entrepreneurial origins. Most are owned by their managers and employees through internal shareholding mechanisms that give executives a stake in the results and ensure succession from one generation to the next. The founders often retain considerable influence, so that their departure is a delicate moment, which in several houses has led to changes of structure, to the opening of the share capital or to negotiated successions.¹

The legal dispersion of the groups — companies incorporated in Singapore, Cyprus, Jersey or the Netherlands, operating offices in Geneva, London, Houston and Singapore, subsidiaries in the producing countries — follows tax, regulatory, commercial and liability considerations. It complicates the supervision, the taxation and the statistical measurement of the sector. It also exposes the groups to multiple jurisdictions, each of which may bring proceedings, as Part H will show.

The internal governance of the traders has changed considerably over the past decade, under the influence of criminal proceedings, the requirements of the banks and the expectations of their partners. The large houses have created compliance functions, adopted codes of conduct, strengthened their boards of directors and published reports, including on sustainability. This professionalisation brings their governance closer to that of large listed companies, while preserving the entrepreneurial culture that is their commercial strength.

1 Notes

1. Trafigura, press release of 24 September 2024: Richard Holtum chief executive from 1 January 2025, Jeremy Weir (chief executive since March 2014) chairman of the board; group owned by its employees, more than 1,400 shareholders; Wikipedia (en), art. “Gunvor”: US sanctions against Gennady Timchenko on 20 March 2014, Torbjörn Törnqvist having bought his 43.5 per cent stake the day before, then a management buy-out on 1 December 2025 (more than 90 employee shareholders); swissinfo.ch, 29 July 2024: Vitol owned by 450 to 500 of its 1,700 employees, none holding more than 5 per cent; Wikipedia (en), art. “Mercuria”: founded in 2004 by Marco Dunand and Daniel Jaeggi, 12 per cent stake acquired by ChemChina in 2016. ↩

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