

BNP, Deripaska in Debt Spat

By [The Moscow Times](#)

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BNP Paribas said companies controlled by Oleg Deripaska defaulted on an \$878 million loan used to buy a stake in Canadian car-parts maker Magna International in 2007.

Russian Machines, a unit of Deripaska's Basic Element holding, failed to honor an \$87 million guarantee on the debt when its Dutch unit defaulted, lawyers for the bank said at a London court hearing Monday. BNP seized shares as collateral for its loan in October 2008, but they had lost almost half their value and did not cover the balance of the loan.

BNP Paribas is calling for Russian Machines to honor the guarantee and seeking a ruling that the dispute should be resolved by a British arbitrator. Deripaska's lawyers are seeking to have the dispute dealt with in a Russian court.

(Bloomberg)

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