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Arbitration Court Rejects Navalny's Request for Disclosure at Rosneft

By The Moscow Times

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Blogger and anti-corruption campaigner Alexei Navalny will not be able to receive the minutes of Rosneft board meetings related to the state-run oil giant's 20-year supply contract with China that was concluded in 2009, after the Supreme Arbitration Court upheld previous rulings denying Navalny's request for the information, Vedomosti reported Tuesday.

Navalny's initial 2010 request for the documents related to Rosneft's contract with China to supply 300 millions tons of oil over 20 years was rejected by the company, which prompted him to seek disclosure through the courts.

His request was originally approved by the court of primary jurisdiction and withstood one appeal, but then the case was returned to court and Navalny began to lose further appeals, Vedomosti reported.

The Supreme Arbitration Court issued a memorandum allowing information requests to be

rejected on the basis of "abusing the right for disclosure," a favorable ruling for Rosneft in the dispute.

The panel of three Supreme Arbitration Court judges then ruled that the documents requested by Navalny as a minority shareholder in the company "have no value for legal and economic analysis."

Andrei Movchan, managing partner of the investment firm Third Rome, told Vedomosti that the Supreme Arbitration Court's decision reflected the sad situation with the rights of minority shareholders in Russia, who were often unable to obtain company information and documents.

A lack of minority shareholders' rights results in the loss of capitalization because the shareholders are unable to resolve their disputes in court, Movchan noted.

In 2009, Rosneft concluded a contract to supply oil to China for 20 years in exchange for loans totaling $25 billion provided by Chinese state-owned banks.

Navalny argued that the damage from the deal could reach $3 billion in lost revenue. He based his conclusion on media reports that suppliers had agreed to give China a discount of $1.5 dollars for each barrel of supplied oil.

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