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Moscow Court Upholds Freeze on Ukrainian Candy Maker Roshen's Assets

By The Moscow Times

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The accounts of the Ukraine-based company were first frozen on March 14, as a result of a court case pursued by United Confectioners, a Russian company that produces the popular Krasny Oktyabr chocolate brand.

A Moscow court has upheld a decision to freeze the Russian accounts of chocolate maker Roshen, owned by Ukrainian presidential front runner Petro Poroshenko, RIA Novosti reported Wednesday.

By rejecting Roshen's appeal, the court cuts the company off from the more than $72 million held in its Russian accounts.

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Shortly after the verdict, Roshen announced that it could not continue its work in Russia and suspended production at its main production site in Russia, the Lipetsky confectionery factory.

Roshen representative Violetta Volkova said the asset freeze was illegal.

At the end of June 2013, the consumer rights watchdog Rospotrebnadzor banned imports of Roshen products due to quality concerns. Anna Popova, the current director of Rospotrebnadzor, has said that Ukraine has not yet fulfilled the requirements necessary for lifting the ban on Roshen products.

However, the company says they have still yet to receive official documents stating the justification for the ban.

Although Poroshenko served as trade minister under ousted pro-Russian President Viktor Yanukovych, he has supported Kiev's efforts to turn toward the European Union in the teeth of Russian resistance.

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