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Sistema Shares Plummet After Court Seizure of Oil Assets

By The Moscow Times

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An employee walks down stairs at Bashneft refinery in the city of Ufa.

Sistema's shares plunged more than 25 percent Monday as the oil-to-telecoms giant said it could not receive dividends from Bashneft, an oil company it controls, amid the arrest earlier this month of Sistema's billionaire owner, Vladimir Yevtushenkov.

Sistema's shares lost 25.4 percent of their value by 2:20 p.m. in Moscow, bringing the equity's total fall since the Sept. 16 detention of Yevtushenkov on money-laundering charges to 65 percent.

The Moscow Exchange briefly imposed restrictions on trading of Sistema, one of Russia's largest privately owned companies, after the stock fell more than 20 percent in 10 minutes.

Sistema is facing a series of criminal investigations into the privatization of Bashneft, which it acquired in 2009 and now owns over 80 percent.

Sistema said in a statement Monday that it "will use all available legal means to defend its rights."

The company will not receive dividends from Bashneft or be able to trade its shares for the duration of the investigation, Sistema said. Last week a Moscow court extended Yevtushenkov's house arrest until Nov. 16 and ordered the seizure of all Sistema's shares in Bashneft.

The moves have been widely viewed as an attempt to wrest control of the profitable oil firm from Yevtushenkov and return it to state ownership as Western sanctions on Russia over Ukraine squeeze the country's state-owned energy firms.

Investigators have allowed Yevtushenkov to travel to work as a part of the conditions of his house arrest, his lawyer Vladimir Kozin said Monday, the Prime business news agency reported.

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