

Court Rebuffs Request to Seize \$5 Billion from Russia's Sistema

By [The Moscow Times](#)

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A man walks past the headquarters of conglomerate Sistema JSFC in Moscow, September 17, 2014.

Russia's powerful Investigative Committee on Thursday asked a Moscow court to seize nearly \$5 billion from beleaguered oil-to-telecoms conglomerate Sistema on behalf of the government, only to be rebuffed by prosecutors who said the committee had no right to intervene in the case.

The request sent Sistema shares plummeting 10 percent in early trading on the Moscow Exchange, though the share price bounced back after the request was denied to 4.5 percent down by closing.

Sistema is under investigation for its acquisition of Bashneft between 2005 and 2009, which prosecutors claim was preceded by flagrant violations during the 2003 privatization of the oil company and caused huge losses to the state coffers.

Sistema's billionaire owner Vladimir Yevtushenkov is currently under house arrest on charges of money laundering, and the court on Sept. 25 seized Sistema's 74 percent stake in Bashneft.

In requesting the \$5 billion be seized, the Investigative Committee asked to be recognized as a third party in the case, a move that was opposed both by prosecutors and the defendant. The court declined the motion, although the committee can still appeal the decision.

The committee said that the sum it demanded — 142.5 billion rubles (\$3.6 billion) from Sistema and 47.5 billion rubles (\$1.2 billion) from its investment arm — equals the amount Sistema received in dividends from its ownership in oil producer Bashneft between 2009 and 2013, news reports said.

The trial has cast a shadow over the Russian business community, with many comparing it to the case that ended in the dismantling of oil giant Yukos in the mid-2000s and the 10-year imprisonment of its CEO, Mikhail Khodorkovsky.

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