

Senator Urges Probe of Foreign Firms Representing Russia in the Hague

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The Hague's Permanent Court of Arbitration.

A member of the Federation Council has expressed concern over the fact that foreign law firms were hired to defend Russia's interests in international court proceedings that led to a costly loss to Yukos shareholders last summer, a news report said Wednesday.

Senator Yevgeny Tarlo requested that the council's Constitutional Committee "determine who, and on what basis, asked a foreign law firm to accept the jurisdiction of some obscure Hague Arbitration Court, created, perhaps, especially for this case," RAPS legal news agency reported Wednesday.

Tarlo also urged the committee to look into how the firms were paid, considering that the fees for the legal proceedings amounted to "tens of millions of dollars."

The senator was referring to a judgment handed down in late July in a case brought before the Hague's Permanent Court of Arbitration by former Yukos shareholders against the Russian government.

Shareholders of the now defunct oil company argued before the Permanent Court of Arbitration that the Russian government had unlawfully seized the company's assets upon nationalizing it 10 years ago — a claim the court sided with. The court then ordered the Russian government to pay some 50 billion dollars to the company's former shareholders, in addition to another 300,000 euros (\$402,000) in costs and expenses.

In ruling against Russia, the court said "the primary objective of the Russian Federation was ... to bankrupt Yukos and appropriate its valuable assets."

Russia's Justice and Finance Ministries both condemned the ruling as politically biased at the time.

Earlier this month, Justice Minister Alexander Konovalov said Moscow intended to appeal the Hague court's ruling in the near future.

"Absolutely, by Oct. 30 [we will appeal]," Konovalov was cited as saying by RIA Novosti on Oct. 9.

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