

Russia's Justice Ministry Says Will Abide by ECHR Ruling on Yukos

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Ex-oligarch Khodorkovsky lost almost everything when Yukos was seized, but former shareholders have won big.

Russia's Justice Minister has announced that Moscow will abide by a "baseless" ruling by the European Court of Human Rights to pay damages to shareholders of defunct oil giant Yukos, despite the Kremlin's disagreement with the decision.

"The decision has been made by the judges. We are forced to accept it. We consider [the ruling] baseless, but there's nothing to be done about that," Alexander Konovalov was cited by RIA Novosti as saying Wednesday.

On Tuesday, the European court had rejected Russia's appeal against the ruling, ordering that Russian authorities must pay 1.86 billion euros in damages to the shareholders in accordance with the decision first made in July.

The Strasbourg-based court ruled at that time that Russia had not been fair in its treatment of Yukos, run by former oligarch Mikhail Khodorkovsky, who was himself convicted of financial crimes in 2003 in a case he said was politically motivated.

When the oil giant was dismantled years ago, once worth \$40 billion, its assets were distributed among Russian state companies, a move that the European court said saw assets confiscated and shareholders robbed.

The Permanent Court of Arbitration in The Hague also ruled in the summer that Russia must pay \$50 billion to shareholders in compensation for the lost assets, another ruling that Russia has appealed.

Konovalov noted that while Russia would obey the ruling to pay 1.86 billion euros in damages, it wasn't actually obligated to, as the Council of Europe is responsible for ensuring the execution of such court rulings.

"Life will show to what extent this ruling will be able to be fulfilled by Russia," Konovalov said in comments carried by RIA Novosti.

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