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Swedish Court Rules in Russia's Favour on Yukos Case

By The Moscow Times

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The Swedish Court of Appeals has ruled that Stockholm arbitration does not have the authority to demand compensation from Russia for the expropriation of the Yukos oil company, the Kommersant newspaper reported Thursday.

This ruling gives Russia grounds to demand that the arbitration's decision to demand $2 million plus interest from Russia be cancelled.

The Swedish Court of Appeals recognized that the Arbitration Institute of the Stockholm Chamber of Commerce (SCC) in July 2012 had no jurisdiction to consider the Yukos dispute.

The Court's decision can be appealed in the Supreme Court until Feb. 15.

"After the ruling is enforced, Russia has the right to demand a repeal of the previous ruling," according to arbitration association secretary general Roman Zykov.

According to Zykov, the ruling strengthens Russia's position in the annulment of rulings by

arbitration in The Hague, which awarded $50 billion to ex-Yukos shareholders.

"The Swedish Appeal Court ruling shows that the active position of the Russian government to protect its interest is paying dividends. Obviously it is expensive and not very fast, but there are chances [that rulings can be overturned]," said Andrei Panov, from law firm Norton Rose Fulbright.

"In Europe, there is generally no bias toward Russia and that European courts are willing to correct the mistakes of their arbitrators," he added.

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