

Russian Court Freezes IKEA Accounts

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Vedomosti

A court in Smolensk, north-west Russia, has frozen 9.3 billion rubles (\$145 million) from the bank accounts of Swedish furniture giant IKEA.

The seizure this month is just the latest round in a decade-long dispute between the company and one of its previous business partners, Konstantin Ponomaryov.

The Smolensk court [ruled](#) in favour of Ponomaryov, who has been trying to recover 9.3 billion rubles in what he says are unpaid fees from IKEA's operations in Russia.

The ruling forbids Russia's Federal Tax Service from registering any reorganizations or mergers of the company. The order is likely to prevent IKEA's Russian subsidiary from ignoring the ruling.

IKEA has said it considers the court's decision "unfounded and illegal."

"We are already disputing [the ruling]," the Swedish company's press service told the RBC news site Friday, adding that Ponomaryov's actions amounted to a form of extortion through

the courts.

IKEA's lawyer Viktor Stepanov [accused](#) Ponomaryov of operating a scheme in which the company's money will "immediately be removed from Russia into an offshore account."

IKEA and Ponomaryov have a long and acrimonious history. From 2006 to 2010, the two parties were locked in a payment dispute over electrical generators for IKEA's St. Petersburg stores. In 2008, Ponomaryov accused IKEA of ceasing to pay rent for the generators. IKEA agreed to pay Ponomaryov 25 billion rubles (\$390 million) two years late.

Ponomaryov launched a new case against the company in August 2016.

IKEA has rented generators for its Russian stores ever since local authorities abruptly shut off electricity to their inaugural Moscow store shortly before its opening.

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