

IKEA's Russian Accounts Unfrozen After Kremlin Intervention

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Andrei Makhonin / Vedomosti

A Russian court has reversed its decision to freeze the Russian accounts of Swedish furniture giant IKEA after government intervention, [the Republic news outlet reported Tuesday](#).

The Smolensk court froze 9.3 billion rubles (\$145 million) in IKEA's accounts on Friday as part of a decade-long dispute between the company and one of its previous business partners, Konstantin Ponomaryov.

The decision to reverse the ruling came after the intervention of Russian Business Ombudsman Boris Titov.

"Blocking a company's accounts is an extreme, interim measure," Titov said. "You can understand when such measures are applied to small or relatively new companies, but blocking the accounts of a large, foreign company, which has been operating on the Russian market for several years, is an unprecedented step."

The court previously ruled in favor of Ponomaryov, who had been trying to recover 9.3 billion rubles in reportedly unpaid fees from IKEA's Russian operation.

IKEA said it considered the court's ruling "unfounded and illegal" and would challenge the decision.

From 2006 to 2010, both parties were locked in a bitter legal dispute over payment for electrical generators used by IKEA's St. Petersburg stores. IKEA ultimately agreed to pay Ponomaryov 25 billion rubles (\$390 million) to settle the dispute, but 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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