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Finnish Court Rejects Russian Businessman Rotenberg's Suit Against Nordic Banks

By Reuters

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Boris Rotenberg **Mikhail Tereshchenko / TASS**

Boris Rotenberg, a Russian businessman under U.S. sanctions over the Ukraine conflict due to his close ties with President Vladimir Putin, on Monday lost a discrimination lawsuit he filed in a Finnish court against four Nordic banks.

"Helsinki District Court has rejected Boris Rotenberg's complaint over the right to banking services and damages for discrimination," the court said in a statement.

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Rotenberg, who also holds Finnish citizenship, accused Nordea, Danske Bank, Handelsbanken and OP Bank of refusing to allow him to make payments and of violating his right to equal

treatment as an EU citizen.

The court said Rotenberg had failed to prove he was a person living in the European Economic Area and therefore he was not entitled to basic banking services in Finland.

It also ruled the banks' concerns of significant financial risks related to Rotenberg's transactions were not unfounded.

The court ordered Rotenberg to pay the banks' legal expenses, amounting to around 530,000 euros ($589,360).

Contacted by Reuters via his lawyer, Rotenberg was not immediately available for comment. The decision can be appealed.

U.S. sanctions

Rotenberg is not subject to EU sanctions over Russia's role in Ukraine but European banks must comply with the U.S. sanctions in order to do business with U.S. banks.

The United States and the EU imposed sanctions on Russia after it annexed Crimea from Ukraine in 2014 and increased them after Moscow backed rebels fighting government troops in eastern Ukraine.

Rotenberg and his brother Arkady are longtime friends of Putin and Washington considers both of them members of the president's "inner circle."

In his lawsuit, Rotenberg complained he has been unable to fulfil his legal obligations in Finland after the banks refused to transmit payments of his ordinary invoices, including a traffic tax payment worth just 18.60 euros.

"A systematic choice was made in drafting the EU sanctions lists that no EU citizens would be included in the lists, even if they had been flagged by the U.S. presidential administration on their (...) list," he wrote in the complaint, which was filed at Helsinki District Court in October 2018.

Nordea in an emailed statement to Reuters said it was complying with all laws and regulations and added: "We appreciate the clarity that the District Court has provided in its thoroughly grounded decision."

Handelsbanken told Reuters: "The statement of judgment reflects Handelsbanken's view of the matter and we are pleased with the outcome."

A bank spokesman said: "Danske Bank takes anti-money laundering and the sanctions related to it very seriously and has taken significant action to ensure our operations comply with regulation."

OP said it was reviewing the court's decision and declined to comment.

Russian oligarchs and companies have tried to challenge sanctions in different courts since they were imposed starting in 2014 following Russia's annexation of Crimea.

In one of the most prominent cases Russian tycoon Oleg Deripaska sued the United States last year, alleging that it had overstepped its legal bounds in imposing sanctions on him.

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