The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia Suffers New Blow in $50Bln Yukos Case

By AFP

December 04, 2020



Vedomosti / TASS

The Netherlands' top court ruled Friday that shareholders in dismantled oil giant Yukos can continue to pursue Russia for $50 billion (41 billion euros) in compensation pending a final judgement in a long legal saga.

Russia was ordered to make the payout in 2014 by the Hague-based international Permanent Court of Arbitration (PCA), but has been challenging the case ever since through Dutch courts.

Related article: Former Yukos Shareholders Seize Vodka Brands in $50Bln Legal Fight

In a fresh blow to Moscow, the Dutch Supreme Court "dismissed the Russian Federation's application to suspend enforcement" of the payout while the court deals with the case, it said in a statement.

"The Supreme Court’s decision means that the former shareholders can continue to enforce the arbitral awards pending its final judgment," the Dutch court said.

Lawyers for both sides would argue their cases before the supreme court in early 2021, it said.

The 2014 ruling in favor of Yukos shareholders was a record award for the PCA, which arbitrates in disputes that arise out of international agreements between countries, international organizations or private litigants.

The PCA ruled that Russia had forced Yukos into bankruptcy in the mid-2000s with excessive tax claims and then sold off its assets to state-owned companies.

In a shock turnaround a local Dutch court in 2016 annulled the PCA's decision, saying it was "not competent" to rule on the issue.

But the Dutch appeals court then again overturned that ruling in February, prompting Russia to take the case all the way to the Netherlands' highest court.

Original url:
https://www.themoscowtimes.com/2020/12/04/russia-suffers-new-blow-in-50bln-yukos-case-a72242