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Russia Says Will ‘Go to Court’ if Declared in Default

By AFP

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Finance Minister Anton Siluanov. **Moskva News Agency**

Moscow will start legal proceedings if it is declared in default by the West, Finance Minister Anton Siluanov said Monday, after Russia was declared in "selective" default over the weekend.

Russia last week paid its foreign dollar debt in rubles after it was unable to process the payment in foreign currency due to sanctions over Ukraine.

"We will go to court because we have taken all the necessary measures to ensure that investors receive their payments," Siluanov said in an interview with the Izvestia newspaper.

"We will present to the court our invoices confirming our efforts to pay both in foreign currency and in rubles," he said, without specifying which legal body Moscow would turn to.

Credit ratings agency S&P on Saturday said Russia had gone into "selective default" after it

repaid dollar-denominated bonds that matured last week in rubles.

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The designation, however, only affected Moscow's payments in foreign currencies while the rating for its ruble payments remained unchanged.

"Russia has tried in good faith to repay external creditors by transferring the corresponding amounts in foreign currency to pay our debt. Nevertheless, the deliberate policy of Western countries is to artificially create a default by all possible means," Siluanov said.

"If an economic and financial war is waged against our country, we are obliged to react, but while fulfilling our obligations," he added.

For several weeks, Russia avoided the danger of a default, as the U.S. Treasury allowed the use of foreign currency held by Moscow abroad to settle the foreign debt.

However, last week the United States barred Russia from making debt payments using funds held by American banks.

The Russian finance ministry said Wednesday it was forced to make some $650 million in repayments to foreign debt-holders in rubles as they fell due on April 4.

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