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Kazakhstan Will Not Enforce $1.4Bln Naftogaz Arbitration Award Against Gazprom, Justice Minister Says

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Gazprom

Kazakhstan's justice ministry said it will not enforce a special court's decision allowing Ukraine's Naftogaz to collect a $1.4 billion international arbitration award from Russia's Gazprom.

"The Republic of Kazakhstan will not serve as a transit venue for enforcing decisions that have no legal connection to the country. As such, the republic's legal mechanisms do not provide for the consideration of disputes falling outside its jurisdiction," Justice Minister Erlan Sarsembayev told Zakon.kz in an interview published on Monday.

His statement follows a ruling last week by a court at the Astana International Financial Centre (AIFC), which had recognized and upheld a Swiss International Commercial Court (ICC) arbitration award in favor of Naftogaz.

The underlying commercial dispute stems from a 2019 contract covering Russian natural gas transit through Ukraine. Following Russia's invasion in 2022, transit through the Sokhranivka distribution station in the eastern Luhansk region was suspended, though deliveries continued through the Sudzha entry point.

Sarsembayev argued that the case lacked a basic jurisdictional link to AIFC, pointing out that Gazprom is not a member of the financial hub, the disputed transaction did not take place on its territory and the center's laws do not govern the dispute.

"Any person has the right to appeal to the [AIFC] court, but this does not always mean the court has jurisdiction," Sarsembayev said.

He added that the justice ministry is currently working to amend Kazakhstan's laws on how foreign arbitral awards are recognized and enforced.

Related article: Ukraine's Naftogaz Announces $5 Bln Lawsuit Win Against Russia

In May 2022, Naftogaz declared force majeure, preventing gas supplies to Europe. Gazprom deemed the Ukrainian company's justifications insufficient to terminate the agreement and subsequently stopped fully paying for the services required under the transit pact.

Naftogaz initiated arbitration proceedings in Switzerland in September 2022. Arbitrators ordered Gazprom to pay Naftogaz $1.4 billion in unpaid gas transportation fees and cover legal costs in June 2025.

While Gazprom sought to overturn the ruling, Switzerland's Federal Supreme Court upheld the award in March, making the decision final.

Gazprom has faced mounting legal pressure from former European customers and partners since Russia sharply curtailed gas exports to Europe following the outbreak of the war. Among the companies that have filed claims against Gazprom are Finland's Gasum, France's Engie, Italy's Eni, Slovakia's ZSE Energia and Austria's OMV.

According to Reuters calculations, claims against Gazprom from former counterparties have reached at least 19.5 billion euros.

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