

## Press Release

### **\$50 billion Yukos awards one step closer to enforcement against Russian state assets**

**LONDON, OCTOBER 26, 2022 – The High Court in London today [lifted the stay](#) on proceedings to have the 50-billion-dollar Arbitral Awards against the Russian Federation for the illegal, politically motivated expropriation of Yukos Oil recognized in England and Wales. This means that the former Yukos majority shareholders can resume their proceedings to have the 50-billion-dollar Arbitral Awards recognised and enforced against Russian state assets located in England and Wales.**

Back in 2014, an independent Court of Arbitration in The Hague unanimously awarded the former majority shareholders in Yukos Oil more than 50-billion-dollars in compensation for the illegal and politically motivated expropriation of their investment in the company by the Russian Federation.

Since the Russian Federation refused to pay, the former majority shareholders started legal proceedings in several countries, including England and Wales, to have the awards recognised. This is a precursor to the awards being enforced against Russian state property in England and Wales under the rules of the New York Convention.

These proceedings were temporarily put on hold (“stayed”) pending Russia’s appeals in the Dutch court system. Following a favourable decision of the Dutch Supreme Court in November 2021 and the Russian Federation’s invasion of Ukraine in February 2022, the former majority shareholders asked the High Court for the recognition and enforcement proceedings to be recommenced.

The former shareholders argued that since the Dutch Supreme Court had ruled against Russia on all grounds that are relevant for jurisdiction and immunity and there were no realistic prospects left for overturning the Arbitral Awards, there were no good reasons left to continue the stay. Additional grounds for lifting the stay are the worldwide sanctions against Russia which significantly reduce the total value of Russian state assets and make already difficult enforcement even more difficult as the Russian Federation is expected to remove all many assets from the United Kingdom.

The High Court agreed, stating that all the points raised by the Russian Federation to maintain the stay have been refuted by the Court of Appeal in the Hague and the Supreme Court of the Netherlands.

*“It’s everything we hoped for, because this ruling proves that Russia cannot escape accountability in the West for its crimes”, says GML CEO Tim Osborne. “We will now go full steam ahead with getting the more than 50-billion-dollar damage claim recognized so we can start enforcement against Russian state assets in England and Wales.”*

You can find the court ruling here:

<https://caselaw.nationalarchives.gov.uk/ewhc/comm/2022/2690>

### **About GML**

GML, through its wholly-owned subsidiaries, Yukos Universal Limited and Hulley Enterprises Limited, together with Veteran Petroleum Limited were the majority shareholders of the former Yukos Oil Company. In 2014, an independent Arbitral Tribunal in The Hague awarded them more than \$50 billion in compensation for the illegal expropriation of their investments by the Russian Federation.

In its Final Award, the independent Arbitral Tribunal concluded that:

- *“Russian courts bent to the will of Russian executive authorities to bankrupt Yukos, assign its assets to a State-controlled company, and incarcerated a man who gave signs of becoming a political competitor”;*
- *“... [T]he State’s campaign of intimidation and harassment not only disrupted the operations of Yukos but also contributed to its demise”;*
- *“... [T]he primary objective of the Russian Federation was not to collect taxes but rather to bankrupt Yukos and appropriate its valuable assets.”*

The Russian Federation appealed the decision in the Dutch court system. In 2016, the District Court of The Hague set aside the Arbitral Awards on grounds of jurisdiction. In February 2020, the Court of Appeal of The Hague quashed the decision of the District Court and reinstated the Arbitral Awards. The Dutch Supreme Court affirmed the substance of that ruling in November of 2021 and referred one minor issue, which had earlier been rejected by the Hague Court of Appeal on procedural grounds, for full consideration by the Court of Appeal in Amsterdam. The Hague Court of Appeal [confirmed](#) that the shareholders can continue to enforce the awards while the appeal on this remaining issue is pending.

You can find more information on our website: [www.gmllimited.com](http://www.gmllimited.com)

**For more information/not for publication**

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