

Press Release

Yukos shareholders defeat Russia in last remaining challenge to \$50 billion arbitration awards

AMSTERDAM FEBRUARY 20, 2024 – After a decade-long legal battle, the Amsterdam Court of Appeal today [dismissed Russia’s last remaining challenge](#) to the \$50 billion arbitral awards won by the Yukos majority shareholders for the illegal expropriation of their investment.

In a last-ditch attempt to escape accountability, the Russian Federation claimed the former shareholders committed fraud during the arbitration. But the Amsterdam Court dismissed that argument on appeal. *“The court finds that the Russian Federation did not make a timely appeal on the fraud allegation. In addition, the court finds that certain documents upon which the Russian Federation bases its appeal should have been introduced earlier, that the subject the documents refer to, is not relevant for the judgment of the arbitrators, and that an appeal on alleged fraud would not have been successful because it’s not plausible that the arbitrators would have come to a different decision. **Conclusion: the arbitral awards stand”**.*

GML director Tim Osborne, who represents the former majority shareholders in their ongoing battle to hold Russia accountable, reacts to the ruling of the Amsterdam Court of Appeal as follows: *“More than twenty years after the brazen expropriation of Yukos, and more than ten years after being ordered to pay the largest award of damages in the history of arbitration, more than fifty billion dollars, the Amsterdam Court has rejected Russia’s last remaining legal excuse: time to pay up”*, according to Tim Osborne. *“We will continue to focus our attention on the ongoing enforcement against Russian state assets in The Netherlands, England, and the United States, and we do not rule out we will start enforcement proceedings in other countries as well.”*

\$50 billion in compensation for illegal expropriation

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 by the Russian Federation of their investment in the company.

The Hague Court of Appeal [rejected all of Russia’s arguments](#) against the Awards in 2020. The Dutch Supreme Court [affirmed the substance of that ruling](#) in 2021 and declared its decision on all major issues final, with the exception of one issue: Russia’s allegation that the shareholders committed fraud during the arbitration.

Even though the Russian Federation’s attorneys described this remaining matter as *“[not a major issue in the appeal](#)”*, the Dutch Supreme Court ruled that this allegation had been wrongly dismissed by the Court of Appeal on a procedural ground and ordered it to be considered on its substance as well as on other procedural grounds by the Amsterdam Court of Appeal.

Enforcement proceedings against Russia will continue

In November of last year, both the London High Court and the District Court of the District of Columbia rejected Russia’s attempt to claim state immunity from jurisdiction in respectively the courts of England and Wales and the courts of the United States. Proceedings have now entered the recognition phase, during which the courts must determine whether the \$50 billion awards can be recognized and enforced in England and the United States.

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, denied all other claims raised by the Russian Federation against the Awards 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.

You can find more information on our website: www.gmllimited.com