

Press Release

Court of Appeal in London confirms: Russia is not protected by immunity in \$63+ billion Yukos claim

LONDON, FEBRUARY 12, 2025 – The Court of Appeal in London today unanimously dismissed the Russian Federation’s appeal against the High Court’s November 1, 2023 judgment, confirming that Russia is not protected by state immunity in the recognition and enforcement proceedings brought by the former Yukos majority shareholders. In its extensive and well-reasoned judgment the Court of Appeal held that Russia cannot relitigate the issues it had already argued and lost in the legal proceedings in the Netherlands.

GML CEO Tim Osborne welcomed the decision. *“The Court of Appeal has resolutely dismissed yet another attempt by Russia to abuse the legal proceedings before a Western court in a desperate bid to delay the inevitable – paying the former majority shareholders the compensation awarded to them by the Arbitral Tribunal over 10 years ago”*. Mr. Osborne added: *“We are closing on to the moment when Putin’s Russia will have to pay in full for its illegal actions.”*

\$50 billion Award 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. Together with interest that continues to accrue, the Russian Federation now owes over \$63 billion under the Awards.

As the Russian Federation continues to refuse to pay the Awards, the former majority shareholders are conducting 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 New York Convention.

The English courts deny Russia sovereign immunity protection

The former shareholders argued that since The Hague Court of Appeal and the Dutch Supreme Court had ruled against Russia on all grounds that are relevant to the Russian Federation’s sovereign immunity defence before the English court, the Russian Federation should be precluded from re-arguing the same questions again.

In November of 2023 the [High Court agreed](#), stating that *“... the [Russian Federation] is, by reason of the judgments of the Dutch courts, precluded from re-arguing the question of whether it has agreed in writing to submit to arbitration the disputes that are subject of the Awards”*, and that therefore *“the Jurisdiction Application ought to be dismissed forthwith”*.

The Russian Federation subsequently requested permission to appeal that decision and the permission to appeal was granted by the Court of Appeal in January 2024. Following the hearing before 3-judges panel, which took place on 15 January 2025, today, the Court of Appeal issued its unanimous judgment upholding the decision of the High Court.

The Court of Appeal stressed in its judgment that preventing Russia from relitigating the issue it had already lost in the Netherlands *“rather than putting the [former majority shareholders] to the trouble and expense of litigating the issue all over again”* was not only *“in accordance with the demands of justice”*, but *“also in accordance with another important public policy..., which is that awards, even against states, should be honoured without delay and without the kind of trench warfare seen in the present case”*.

In June 2024, the High Court ordered that the merits of the Russian Federation's defence to the recognition of the awards in England and Wales be determined in a two-week trial that will take place in London in January 2026.

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 2021, referring one minor remaining issue to the Court of Appeal in Amsterdam. The [Amsterdam Court of Appeal dismissed Russia’s final setting aside claim](#) on February 20th, 2024. The decision by the Dutch Supreme Court in the appeal filed by Russia against the latter judgment is expected in autumn this year.

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