

**PRESS RELEASE FROM RUSSIAN FEDERATION'S
INTERNATIONAL CENTRE FOR LEGAL PROTECTION**

Yukos oligarchs drop their legal action in Belgium

The Yukos oligarchs, in the shape of Yukos Universal Limited (YUL), have announced that they are abandoning all attempts in Belgium to enforce part of the \$50 billion arbitral awards made in 2014, which were overturned by The Hague District Court in 2016.

(Brussels, 2 November 2017): The Russian Federation and the International Centre for Legal Protection (ICLP), an independent body set up to defend the Russian Federation in complex legal disputes such as the Yukos case, welcome YUL's decision not to pursue enforcement of the arbitral awards in Belgium after they were overturned in The Hague in 2016.

The decision to withdraw validates the position long held by the Russian Federation that the YUL are not entitled to any compensation. YUL, as one of the three beneficiaries of the annulled arbitral awards, is a company registered in the Isle of Man, whose economic beneficiaries are actually Russian Oligarchs who fraudulently acquired Yukos before engaging in widespread tax evasion.

The Hague District Court already overturned the arbitral awards on 20 April 2016, finding that the Energy Charter Treaty on which the arbitration was based did not apply, as it had never been ratified by the Russian Federation. Despite the annulment, YUL continued to pursue enforcement of these arbitral awards in various jurisdictions, including the United States, the United Kingdom, Germany, India, France and Belgium. Following a series of withdrawals and suspensions – the withdrawal in France on 10 October 2017 being the most recent – Belgium was the only jurisdiction remaining worldwide where the enforcement of the arbitral awards was actively pursued. In Belgium, proceedings pending included various actions before the Court of Appeal of Brussels and the Belgian Supreme Court.

YUL's withdrawal today brings an end to this legal saga and numerous attempts to seize Russian assets in Belgium since June 2015.

As a reminder, the Russian Federation's appeal against the enforcement order in Belgium is currently pending concurrently before the Court of Appeal of Brussels and the Belgian Supreme Court.

On 8 June 2017, the Judge of the Attachments at the Court of First Instance of Brussels concluded that the attachments sought by YUL had no legal basis as a result of the annulment of the arbitral awards. Accordingly, the Judge ordered the lifting of all attachments of real estate and bank accounts in place, which were aimed not only at the Russian Federation, but also at real estate belonging to press agencies Itar Tass and Ria Novosti. YUL had appealed this decision.

Paul Lefebvre, counsel for the Russian Federation in Belgium noted:

"We welcome YUL's overdue decision to withdraw its enforcement actions in Belgium. This withdrawal validates our long-standing position that YUL's attempts to attach assets benefiting from immunity or belonging to third parties lacked any grounds. It further comes as no surprise: as rightly pointed out by the Attachments Judge in Brussels, there was no legal basis for enforcement of the arbitral awards, which had already been annulled by The Hague District Court. While the Yukos Oligarchs try to distract from the real motives for their decision to withdraw, they will not fool anyone. The Russian Federation has always abided by the rule of law, despite the Oligarchs' many manoeuvres to circumvent the law. Courts respect the annulment of awards in the country of origin, including in Belgium, which YUL is fully aware of."

For his part, Albert Jan van den Berg, lead counsel for the Russian Federation in the annulment proceedings in The Netherlands noted:

“After the annulment by The Hague District Court, the Russian Oligarchs withdrew the enforcement actions in Germany, India and France, and suspended them in the UK and the US. With the withdrawal of the last active enforcement proceedings in Belgium, the efforts of the Russian Oligarchs to have the Yukos awards enforced have come to a grinding halt worldwide.

Now that the Russian Oligarchs’ various side-shows have been shut down, the discussion on the validity of the Yukos Awards will be rightly focused on the Court of Appeal of The Hague. This discussion will include important questions on the interpretation of the Energy Charter Treaty, which go to the heart of the case. Those questions concern the provisional application of the European Charter Treaty that has not been ratified by the Russian Federation; the use of sham companies in tax havens by the Russian Oligarchs who were round tripping Russian money; and the inapplicability of the European Charter Treaty to those schemes. It is clear that the Yukos case is an internal Russian affair for which the European Charter Treaty is not written.

We have full confidence that the Court of Appeal of The Hague will confirm the well- reasoned decision of The Hague District Court.”

Ends

For more information: www.yukoscase.com

Twitter: [@iclp_en](https://twitter.com/iclp_en)