

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

**Yukos Affair at The Hague: The Russian Federation files its Defence on Appeal**

*The Russian Federation has filed its Defence on Appeal in the proceedings brought by Yukos Oligarchs at the Court of Appeal in The Hague. In these proceedings, the Oligarchs are attempting to overrule The Hague District Court's annulment of the \$50 billion arbitral awards.*

(The Hague, 28 November 2017) — In the appeal proceedings, initiated by the Yukos Oligarchs after the \$50 billion arbitral awards were annulled by The Hague District Court in April 2016, the Russian Federation has submitted its Defence on Appeal. The highlights of this comprehensive submission are the following:

- The Russian Federation fully endorses The Hague District Court's rightful annulment of the fundamentally flawed \$50 billion arbitral awards. After a thorough analysis of international and Russian law, The Hague District Court overturned the arbitral awards on 20 April 2016, finding that the arbitration clause in the Energy Charter Treaty (ECT) on which the arbitrations were based did not apply, as the ECT had been signed but never been ratified by the Russian Federation.
- The Russian Federation produced vast documentation of the negotiating history (travaux préparatoires) of the Energy Charter Treaty (of the early 1990's), which confirm the Russian Federation's consistent position throughout the arbitrations and the annulment proceedings to the effect that signed but not ratified international treaties could only be applied provisionally to the extent that they are not inconsistent with the constitution, laws and regulations of the signatory State.
- This submission shows that the Yukos Oligarchs are Russian nationals and that they are the actual controlling force behind the mailbox companies on Cyprus and the Isle of Man that pretend to be foreign investors under the ECT. The submission makes clear that the ECT does not apply to "fake foreign investors".

The submission also brings to light newly discovered, shocking facts that confirm the frauds and other criminal activities committed by the Yukos Oligarchs. These facts shed light on the assassination attempts on witnesses for intimidation. The facts further elaborate on the massive tax fraud committed by the Oligarchs by manoeuvring Russian funds outside of the country into tax havens, active breaches of the Russian authorities' tax assessments, and creating a complex web of transactions for such tax fraud. In addition, the facts unearthed show that the former shareholders also committed procedural fraud in the arbitrations by concealing relevant documents, which they were ordered to produce, but failed to do so.

- In this submission, witnesses, including former Yukos high-ranking officials, confirm the illegalities and the evasive financial schemes used by the Oligarchs to operate. Further, legal and forensic accounting experts confirm a substantial link connecting the Yukos shares underlying the former shareholders' claims in the arbitrations to the Yukos shares illegally acquired by the Oligarchs during the 1995-1996 loans for shares auctions.
- The impropriety of the \$50 billion arbitral awards is also confirmed by two linguistic experts. They demonstrate how the arbitral tribunal's assistant, instead of the tribunal itself, wrote substantial parts of the awards. While the awards are anyway an absolute misapplication of international law, which the Russian Federation demonstrates under seven independent grounds of annulment in its submission, it is now confirmed by independent experts that substantial parts of these awards were not even written by the arbitral tribunal in question.

This submission of the Russian Federation comes after the former shareholders withdrew the French, Belgian, German and Indian enforcement proceedings, and moved to stay the proceedings in the US and UK bringing to a halt all enforcement actions around the world. The Russian Federation, the ICLP, an independent body set up to defend the Russian Federation in complex legal disputes such as the Yukos

case, and its counsel are confident that on the basis of this Defence on Appeal, the Court of Appeal in The Hague, like the District Court in 2016, will ensure that the now ineffective awards, are not brought back to life in The Netherlands.

Albert Jan van den Berg, lead counsel for the Russian Federation in these annulment proceedings in the Court of Appeal, states that “the Defence on Appeal will assist the Court of Appeal to arrive at the same finding as The Hague District Court that the awards have to be annulled in full”.

Andrey Kondakov, Director General of the ICLP calls the Defence on Appeal “a stellar submission that further strengthens the Russian Federation’s legal position taken throughout the arbitrations and the annulment proceedings before The Hague District Court in addition to highlighting massive illegalities committed by the Oligarchs.”

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