

News

LALIVE successfully defends two Yukos Capital awards against Russia

LALIVE successfully represented Yukos Capital Limited against the Russian Federation's challenge of an interim and a final award before the Swiss Supreme Court, Switzerland's highest court. The final award, granting Yukos Capital a compensation of +\$5bn, is one of the largest arbitration awards ever examined by the Court.

In its decision, found [here](#) (original French), the Swiss Supreme Court entirely rejected the challenge brought by Russia against the two awards and confirmed that the arbitral tribunal had validly upheld its jurisdiction, on the basis of the provisional application of the Energy Charter Treaty (ECT) by the Russian Federation. It confirmed that Yukos Capital made an investment in Russia within the meaning of the ECT and that this investment was neither an abuse of right nor illegal. The Court also rejected Russia's argument that the damages awarded to Yukos Capital violated Swiss public policy. Russia was ordered to pay CHF 200,000 as Court costs and CHF 250,000 to Yukos Capital as compensation for its legal fees.

This decision is one of the most recent developments in the wave of international arbitrations initiated by companies of the Yukos group, then one of the largest groups in Russia, to seek compensation for the complete expropriation of its assets.

Aside from being an excellent outcome for Yukos Capital, the 85-page Supreme Court decision will be extremely useful to many practitioners as it clarifies the Swiss Supreme Court's position on a number of complex issues of public international law and Swiss procedural law, including issues of treaty interpretation, qualification of illegality objections and admissibility of new evidence in setting aside proceedings.

Members of LALIVE who contributed to Yukos Capital's victory were partners [Catherine A. Kunz](#), [Domitille Baizeau](#), [Matthias Scherer](#) and [Veijo Heiskanen](#), counsel [Augustin Barrier](#), [Laura Azaria](#), [Pierre-Olivier Allaz](#) and associate [Maël Deschamps](#). LALIVE was assisted by Gibson Dunn partner [Cy Benson](#) and of Counsel [Ceyda Knoebel](#), who represented Yukos Capital in the arbitration.

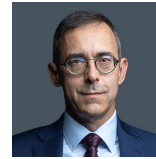
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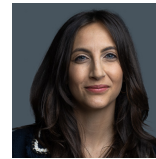
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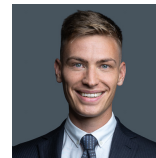
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