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# Hughes Hubbard & Reed

## Firm Wins Major Victory in Crimea Arbitrations

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**May 18, 2018** — The firm secured the first award on the merits in a series of international arbitrations brought against the Russian Federation following Moscow's invasion and occupation of the Crimean Peninsula.

On May 9, the Permanent Court of Arbitration (PCA) at The Hague announced that an arbitration tribunal had issued an award on May 2 in favor of Everest Estate, 17 other entities and one individual in a claim for properties seized by Russia in the wake of its 2014 takeover of Crimea. The unanimous ruling found Russia liable for breaches of the Ukraine-Russia bilateral investment treaty by illegally expropriating the claimants' properties in Crimea, which included resort hotels, apartment buildings and offices.

The tribunal ordered Russia to pay approximately \$159 million in compensation, including pre-award interest and legal costs for the claimants.

HHR commenced the arbitration in 2015 on behalf of the group of real estate companies and one individual. Hughes Hubbard is also representing the claimants in four other arbitrations for other Ukrainian businesses with claims ranging from approximately \$20 million to \$1 billion for the seizure of the Crimean banking operations of PrivatBank (the largest bank in Ukraine), Belbek Airport and two networks of filling stations, including one owned by Ukrnafta, one of the largest Ukrainian energy companies.

All the arbitrations were brought under the arbitration rules of the U.N. Commission on International Trade Law (UNCITRAL) and are administered by the PCA. Russia has refused to participate in any of these proceedings, arguing that the tribunals have no jurisdiction to hear the claims.

HHR previously won jurisdiction rulings in all five of the arbitrations -- the first decisions by any international tribunal to apply a bilateral investment treaty to the occupying power in control of territory occupied in defiance of international law.

The award made headlines in Global Arbitration Review, Law360 and Investment Arbitration Reporter.

John Townsend and Jim Boykin lead the HHR team, which includes Vitaly Morozov, Leon Ioannou, Marina Drapey, Sam Cowin, Malik Havalic, Eleanor Erney, Alexander Bedrosyan, Conor Gilligan and paralegals Svitlana Stegnyy and Katya Botchkareva.

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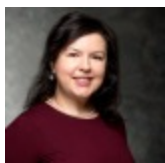
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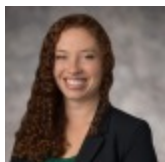
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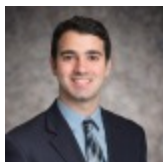
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