

Gazprom won appeal to suspend enforcement of Stockholm Arbitration Court's ruling on transit contract

On June 13, the Svea Court of Appeal in Sweden granted the motion filed by Gazprom and made an order to suspend the implementation of the awards issued by the Arbitration Institute of the Stockholm Chamber of Commerce on February 28, 2018, in the dispute between Gazprom and Naftogaz of Ukraine on the contract for gas transit via Ukraine.

The motion was filed by Gazprom on June 7, 2018, in connection with the appeal against the arbitration awards on the transit contract and the attempts by Naftogaz of Ukraine to enforce the awards in a number of jurisdictions prior to consideration of the merits of the complaint.

The Court of Appeal acknowledged that it had sufficient grounds to suspend the implementation of the awards issued by the Stockholm Arbitration Court. The Court of Appeal's order, inter alia, removes any justification for Naftogaz of Ukraine to attempt to arrest Gazprom's foreign assets. This fact will be used by Gazprom to challenge the actions of bailiffs in Switzerland and the Netherlands.

The Swedish Arbitration Act states that the determination of the Court of Appeal may not be appealed.

Gazprom will continue to defend its rights in accordance with the applicable law.

Background

On February 28, 2018, the Arbitration Institute of the Stockholm Chamber of Commerce issued a final award in the dispute between Gazprom and Naftogaz of Ukraine on the contract for gas transit via Ukraine.

Due to significant procedural errors committed by the arbitrators, Gazprom filed a request with the Svea Court of Appeal on March 29, 2018, to contest and partially cancel the final award issued on February 28, 2018. On May 28, 2018, the Company filed a motion for a complete reversal of the arbitration award.

From late May to early June 2018, reports emerged that Naftogaz of Ukraine was taking action in Switzerland and the Netherlands to enforce the Stockholm Arbitration Court's awards in the dispute related to the transit contract.

On June 7, Gazprom filed a motion with the Swiss court to be granted full access to the case materials and to subsequently appeal the actions of the court officers. It is also planned to file a similar motion with the Dutch court later.