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RUSAL subsidiaries file a request for arbitration against Ukraine

26.10.2016

Moscow, 26 October 2016 – UC RUSAL (SEHK: 486; Euronext: RUSAL/RUAL; Moscow Exchange: RUAL/RUALR), a leading global aluminium producer, announces that on 25 October 2016 two of its subsidiaries, Emergofin B.V. and Velbay Holdings Ltd., filed a request for arbitration against Ukraine pursuant to Article 36 of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and Article 9 of the Agreement on promotion and reciprocal protection of investments between the Kingdom of the Netherlands and Ukraine.

The arbitration relates to Ukraine's expropriation of the Zaporozhe Aluminium Plant ("ZAIK"). It is being conducted under the auspices of the International Centre for the Settlement of Investment Disputes ("ICSID"), part of the World Bank and headquartered in Washington, D.C.

Ukraine was first given notice of the ICSID arbitration in December 2015, whereupon the parties engaged in pre-arbitration settlement negotiations as provided by treaty. The parties having been unable to reach an amicable settlement, negotiations were terminated in August 2016.

Ukraine's hostile actions have recently expanded to include sanctions specifically targeting persons and UC RUSAL companies related to ZAIK. The ostensible basis for the sanctions is that the targeted persons and companies pose a threat to Ukrainian security. This is not true. The sanctions are in fact direct retaliation for the UC RUSAL's attempt to protect ZAIK from expropriation by initiating the ICSID arbitration procedure.

UC RUSAL expects its subsidiaries' position to be fully vindicated by the arbitral tribunal.

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