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Egorov Puginsky Afanasiev & Partners helps Bank Saint Petersburg secure victory at High Court in London in precedent-setting dispute with Vitaly Arkhangelsky

A team from the Litigation Practice at Egorov Puginsky Afanasiev & Partners helped Bank Saint Petersburg to secure victory at the High Court in London in its dispute with borrower Vitaly Arkhangelsky and Oslo Marine Group Ports (OMG Ports). Proceedings in this case began back in 2009 and have spanned four jurisdictions: Russia, Bulgaria, France, and England. Over 20 cases were heard in the Russian courts, whose rulings were recognised and enforced overseas.

Under loan agreements concluded in 2006–2008, the Bank granted OMG Ports, and Mr Arkhangelsky personally, funding to develop the business, but OMG Ports defaulted on the repayments in 2009 and Mr Arkhangelsky fled to France.

In its bid to recover the debt, and with legal support from Egorov Puginsky Afanasiev and Partners, Bank Saint Petersburg won more than 20 cases in the Russian courts. Nonetheless, in 2011 Mr Arkhangelsky filed a claim against the Bank in the British Virgin Islands. That case, together with the Bank's claim to recover the debt owned under the loan agreements, was transferred to the High Court in London. Mr Arkhangelsky sought to inject a political motive, accusing the Bank of conducting a corporate raid of OMG Ports' assets, which he valued at USD 500 million, and demanding compensation.

The High Court in London fully upheld the Bank's claim regarding recovery of the debt from Mr Arkhangelsky, and rejected the latter's counterclaim in its entirety. All of Mr Arkhangelsky's accusations against the Bank were dismissed by the Court.

The case was widely publicised in the Russian and international media and featured in The Lawyer Top 10 and Top 20 lists of the most interesting cases before the English courts on a number of occasions. It was a unique case in terms of the new procedural issues it raised for the Court and the length of deliberations. The main hearings spanned 46 sitting days from February to July 2016, and were held in London and Paris. Around 20 witnesses and experts from both sides were questioned and a huge volume of evidence was analysed.

During the case at the High Court in London, Bank Saint Petersburg received legal support from a team comprising Managing Partner of the St. Petersburg office Ivan Smirnov, Senior Associate Evgeny Gurchenko and Associate Ays Lidzhanova. Tim Lord QC, Simon Birt QC and Richard Eschwege (instructed by Reynolds Porter Chamberlain LLP) represented Bank Saint Petersburg in the in the High Court of Justice (Chancery Division).

MORE INFORMATION

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