

# Russian court assumes jurisdiction even where Russian defendant confirmed no obstacles to justice in LCIA arbitration (Commercial Court of the Volga Circuit)

by *Practical Law Arbitration*, with *Kulkov, Kolotilov & Partners*

---

Legal update: case report | Published on 24-Nov-2025 | Russian Federation

---

In *Case No A12-22543/2022*, the Commercial Court of the Volga Circuit confirmed its competence and jurisdiction over a dispute of its own initiative, applying article 248.1 of the Russian Arbitrazh Procedural Code (APC). This was even though the parties to the case were not sanctioned and the Russian defendant directly stated that it faces no obstacles accessing justice in LCIA arbitration.

---

*Maxim Kulkov (Managing partner) and Maria Ivanova (Associate), Kulkov, Kolotilov & Partners*

The Commercial Court of the Volga Circuit has applied article 248.1 of the Russian Arbitrazh Procedural Code (APC), to assume jurisdiction over a dispute even though this protection was not requested by the Russian party.

The case related to a supply contract between a Chinese company, Higer Bus Company Limited (HBCL), and a Russian one, Volgabus Volzhsky LLC (Volgabus). Volgabus did not pay in full for the goods delivered under the contract. Despite the supply contract providing for LCIA arbitration, HBCL applied to the Commercial Court of the Volga Circuit. Volgabus disputed jurisdiction and sought to leave the claim due to the arbitration clause. Volgabus confirmed to the court that it did not consider that it faces any obstacles accessing justice in LCIA arbitration.

However, the court accepted its competence and jurisdiction over the dispute, which was upheld by higher courts (including the Commercial Court of the Volga Circuit).

In support of its decision, the court held, among other things, that:

- The arbitration clause was unenforceable due to the considerable change of conditions of arbitration.
- Volgabus had not proved that there were no obstacles to justice in LCIA arbitration.
- Generally, foreign sanctions against Russia will be sufficient to establish obstacles to accessing justice for any Russian party (even if it is not itself sanctioned) in LCIA arbitration.

This case is notable as the Russian court questioned the availability of arbitration and of its own motion relied on article 248.1 of the APC to accept competence. It did this even though none of the parties was sanctioned and the Russian party directly stated that it faces no obstacles accessing justice in arbitration abroad.

Article 248.1 of the APC was created to offer protection to Russian parties that applied for such protection. However, this decision of the Commercial Court of the Volgograd Region, which was upheld by a higher court, shows that article 248.1 may now be interpreted as providing mandatory protection, which the courts will apply of their motion and over the objections of a Russian party.

Case: [Case No A12-22543/2022 \(Commercial Court of the Volga Circuit\) \(27 October 2025\)](#) (in Russian language).

---

**END OF DOCUMENT**