Russian court confirms availability of anti-suit injunction as interim measure (Commercial Court of St Petersburg and the Leningrad District)

by Practical Law Arbitration, with Kulkov, Kolotilov & Partners

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In *Case A56-103943/2023*, the Commercial Court of St Petersburg and the Leningrad District granted an anti-suit injunction as an interim measure while the resolution of an application for a permanent anti-suit injunction against proceedings in Hong Kong and at the HKIAC remained pending.

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The Commercial Court of St Petersburg and the Leningrad District (Commercial Court) has granted an anti-suit injunction (ASI) as an interim measure while the resolution of an application for a permanent ASI against court proceedings in Hong Kong and arbitration proceedings at the HKIAC remained pending.

On 4 September 2023, Russian VTB Bank JSC (Russian VTB) filed a claim against German VTB Bank Europe SE (European VTB) in a Russian court for recovery of debts arising under an ISDA Master Agreement, despite the arbitration clause in that agreement providing for disputes to be resolved at the HKIAC. Russian VTB argued that, because it is subject to sanctions, it is entitled to file a claim with a Russian court under article 248.1 of the Russian Commercial Procedure Code (CPC).

In response, European VTB applied to a Hong Kong Court for an ASI to prohibit Russian VTB from continuing the proceedings in Russia.

In turn, on 26 October 2023, Russian VTB applied to the Commercial Court for an ASI to restrain the continuation by VTB Europe of proceedings in the Hong Kong Court or the initiation of HKIAC arbitration. Russian VTB also applied for an ASI as an interim measure pending the resolution of the dispute for a permanent ASI.

On 2 November 2023, the Russian court granted the ASI as an interim measure and stated that "refusal to grant interim antisuit injunctions could result in the deprivation of the applicant's right to trial in the Russian Federation and cause significant damage to the applicant in view of the sanctions imposed against it".

The possibility of obtaining an ASI as an interim measure is not provided for in Russian law and its availability has not been unambiguously confirmed before in Russian case law. With this decision, the court confirmed its availability when the imposition of obtaining a permanent ASI prejudges the resolution of the dispute.

European VTB has an opportunity to appeal against this ruling until 4 December 2023.

Case: Case A56-103943/2023 (2 November 2023).

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