

Russian court recognises and enforces SIAC award in favour of Russian company despite suspension of award at the seat

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

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In *Case No A40-20468/2024*, the Commercial Court of Moscow recognised and enforced an SIAC arbitral award in favour of a Russian company despite the award being suspended at the seat of arbitration (Singapore).

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The Commercial Court of Moscow (CCM) has recognised and enforced an SIAC arbitral award in favour of a Russian company, despite the award being suspended in Singapore, the seat of arbitration.

The dispute originally arose from an EPC contract between a Russia company, Machines JSC (PM) (the contractor) and Vietnam Oil and Gas Group (PVN) (the employer). Performance under the EPC contract was halted due to US sanctions being imposed on PM. In accordance with the arbitration clause in the EPC contract, PM commenced arbitration under the SIAC arbitration rules.

In November 2023, the arbitral tribunal rendered its award, finding in favour of PM.

PVN applied to the Singapore High Court to set aside the award. In July 2024, the Singapore court suspended the award.

At the same time, PM applied to the CCM to have the award recognised and enforced in Russia and an order in those terms was granted in September 2024. The CCM held that PVN's initiation of setting aside proceedings at the seat should not be considered as a ground for refusal to recognise and enforce the award in Russia.

It is not clear from the CCM judgment whether PVN referred to the suspension of the award. If that argument was raised, the court was entitled to refuse recognition and enforcement of the award under section V(1)(e) of the New York Convention.

The CCM's ruling may be appealed within two months of its publication.

Case: [Case No #40-20468/2024 \(Commercial Court of Moscow\) \(2 October 2024\)](#).

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