

**Insights**

## **INTERNATIONAL LAW RECOURSE FOR POTENTIAL EXPROPRIATION OF FOREIGN ASSETS BY RUSSIA**

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One of the latest proposed retaliatory measures announced by the Russian authorities is a regime for the nationalisation and forced sale of assets of foreign entities that have curtailed or suspended their operations in Russia. Essentially, the proposed regime would allow the Russian government to take control over Russian assets of foreign companies that have recently made a decision to leave Russia; and transfer such Russian assets by way of a public auction to a Russian State entity, a third party or directly to the Russian government at a price to be set by the Russian Ministry of Economic Development.

International law recognises such measures as expropriations and requires fair market value compensation by the State. Particular foreign entities may be able to pursue this entitlement to fair market value compensation with respect to the proposed regime or other expropriatory measures in investment treaty arbitrations against Russia. If successful, enforcement of awards may be possible against Russian State assets situated in jurisdictions such as the United States, the United Kingdom, Switzerland and offshore jurisdictions.

BCLP's global international arbitration practice has extensive experience advising Russia related investment and commercial disputes, and conducting investment arbitrations and related enforcement proceedings. It has produced a newsletter setting out an overview of the proposed regime in Russia and the recourse available under international law.

[You can download the newsletter here.](#)

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