



PRESS RELEASE

PCA CASE No. 2015-21:

ARBITRATION BETWEEN JSC CB PRIVATBANK AND THE RUSSIAN FEDERATION

THE HAGUE, 6 OCTOBER 2026

The Tribunal Issues its Final Award

On 1 October 2026, the Tribunal issued its unanimous Final Award in the above-referenced matter.

The arbitration was commenced by JSC CB PrivatBank (the “**Claimant**” or “**PrivatBank**”) and Finance Company Finilon LLC (“**Finilon**” and, together with PrivatBank, the “**Claimants**”) against the Russian Federation (the “**Respondent**”) on 13 April 2015, pursuant to the *Agreement between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine on the Encouragement and Mutual Protection of Investments* dated 27 November 1998 (the “**Treaty**”) and in accordance with the UNCITRAL Arbitration Rules 1976. The Claimants contended that the Respondent had breached its obligations under the Treaty by taking measures that had prevented them from operating their banking business in the Crimean Peninsula.

The Tribunal was constituted on 6 July 2015. It is comprised of Professor Pierre-Marie Dupuy (Presiding Arbitrator), Sir Daniel Bethlehem KC (appointed by the Claimants), and Dr. Václav Mikulka (appointed by the former appointing authority, Mr. Michael Hwang, on behalf of the Respondent).

On 24 February 2017, the Tribunal issued its [Interim Award](#), finding that: (i) the Respondent had assumed obligations under the Treaty in respect of Ukrainian investors and their investments in the Crimean Peninsula as of 21 March 2014; (ii) there was a dispute between the Parties arising in connection with what the Claimants alleged to constitute “investments” under the Treaty; and (iii) the Claimants had satisfied the notice and negotiation requirements under Article 9 of the Treaty. The Tribunal joined the consideration of all other issues of jurisdiction and admissibility to the merits of the proceedings. On 27 March 2017, the Tribunal re-issued its Interim Award, correcting four typographical errors.

On 4 February 2019, the Tribunal issued its [Partial Award](#), finding that the claims of Finilon fell outside its jurisdiction, and, with respect to PrivatBank, finding that: (i) the Tribunal had jurisdiction over the Claimant’s claims under the Treaty; (ii) the Claimant’s claims were admissible; and (iii) the Respondent had breached Article 5 of the Treaty in respect of the Claimant’s investments. The issue of compensation due in the light of this finding of liability and any decision on the costs of arbitration were deferred to the next phase of the arbitration.

As previously reported in [the PCA’s press release dated 22 November 2019](#), on 21 May 2019, the Respondent, which had not previously participated in the proceedings, expressed its willingness to appear in the arbitration and requested, *inter alia*, leave to make submissions on issues of jurisdiction, merits, and quantum. On 12 September 2019, the Tribunal granted the Respondent’s request to make submissions in respect of issues of damages, as well as submissions in support of its argument that “PrivatBank does . . . not qualify as an investor within the meaning of Article 1(1) of the [Treaty] who has made investments within the meaning of Article 1(2) of the [Treaty], because PrivatBank obtained

its investments through corruption, fraud and violence, among other things” (the “**Illegality Objection**”), while denying the remainder of the Respondent’s requests.

A phase dedicated to the issue of compensation, as well as the Illegality Objection, followed, including multiple rounds of written submissions by the Parties and two hearings.

In its Final Award, the Tribunal dismisses the Illegality Objection, orders the Respondent to pay forthwith compensation to the Claimant in the amount of USD 180,874,000, plus interest from 18 April 2014 and until the date of payment, and allocates the costs of the arbitration.

Further information about the case, as well as the Tribunal’s Interim Award, Partial Award, and Procedural Orders Nos. 2-9, 11 (without annex), 12-14, and 16-30, are available on the PCA website at <https://pca-cpa.org/en/cases/130/>.

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Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration (PCA) is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 129 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA’s International Bureau is currently administering five inter-State arbitrations, one inter-State conciliation, one other inter-State proceeding, 90 arbitrations arising under bilateral or multilateral investment treaties or national investment laws, 103 arbitrations arising under contracts involving a State or other public entity, and 10 other proceedings.

More information about the PCA can be found at www.pca-cpa.org.

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