

EXHIBIT 8

IN THE MATTER OF AN ARBITRATION

**UNDER THE ARBITRATION RULES OF
THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW**

BETWEEN:

JSC OSCHADBANK

Claimant

-and-

THE RUSSIAN FEDERATION

Respondent

NOTICE OF ARBITRATION

18 January 2016

I. INTRODUCTION

1. Pursuant to the Agreement between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine on the Encouragement and Reciprocal Protection of Investments (Moscow, 27 November 1998), in force as of 27 January 2000 (the **Treaty**),¹ the Claimant, Public Joint Stock Company “State Savings Bank of Ukraine” (**JSC Oschadbank** or **Oschadbank**) hereby initiates arbitration proceedings against the Russian Federation under the United Nations Commission on International Trade Law Arbitration Rules 1976 (**UNCITRAL Rules**).
2. According to Article 3 of the UNCITRAL Rules, the arbitral proceedings are deemed commenced on the date the Notice is received by the Russian Federation. For the avoidance of doubt, this Notice of Arbitration does not include the Statement of Claim referenced in Article 18 of the UNCITRAL Rules.

II. THE PARTIES

3. The Claimant is JSC Oschadbank, a company duly incorporated in Ukraine, with its corporate address at 12G Hospitalna St., Kyiv, 01001, Ukraine.²
4. The Claimant has authorized the following counsel to represent it in this arbitration:³

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¹ Agreement between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine on the Encouragement and Mutual Protection of Investments (Moscow, 27 November 1998), in force as of 27 Jan. 2000, unofficial English translation by the Claimant based on both the official Russian and Ukrainian language versions, submitted as **C-1**. All subsequent references to the Treaty herein rely on this translation. The Ministry of Foreign Affairs of Ukraine has verified that the Treaty is in force. Letter from the Ministry of Foreign Affairs of Ukraine dated 26 Oct. 2015, **C-2**.

² Excerpt from the Unified State Register of Legal Entities and Entrepreneurs dated 4 Nov. 2015, submitted as **C-3**.

³ Power of Attorney, submitted as **C-4**.

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5. The Respondent is the Russian Federation (**Russian Federation** or **Russia**). The Claimant has served this Notice of Arbitration on the following representatives of the Respondent:

Vladimir Putin
President of the Russian Federation
23, Ilyinka Street
Moscow, 103132
Russia

Dmitry Medvedev
Prime Minister of the Russian Federation
Government of the Russian Federation Building
2 Krasnopresnenskaya naberezhnaya, building 2
Moscow, 103274
Russia

Anton Siluanov
Finance Minister of the Russian Federation
9, Ilyinka Street
Moscow 109097
Russia

Sergey Lavrov
Minister of Foreign Affairs of the Russian Federation
32/34 Smolenskaya-Sennaya pl.
Moscow, 119200
Russia

Mikhail Zurabov
The Ambassador of the Russian Federation to Ukraine
27, Vozdukhoflotskiy ave.
Kyiv, 03049
Ukraine

III. THE ARBITRATION AGREEMENT

6. Article 9 of the Treaty governs the resolution of disputes between a Contracting Party and an investor of the other Contracting Party. It provides as follows:

Article 9

Settlement of disputes between Contracting Party and an investor of the other Contracting Party

1. Any dispute between either Contracting Party and an investor of the other Contracting Party, that arises in connection with the investments, including disputes, which concern the amount, terms of or procedure for payment of compensation, provided for in Article 5 hereof, or the procedure for effecting a transfer of payments, provided for in Article 7 hereof, shall be subject to a written notification, accompanied with detailed comments, which the investor shall forward to the Contracting Party, involved in the dispute. The parties to the dispute shall strive to settle such a dispute to the extent possible by way of negotiations.

2. If the dispute is not resolved in that way within six months as of the date of the written notification, as mentioned in para 1 of this Article, it shall be referred for consideration to:

a) a competent court or an arbitration court of the Contracting Party, in whose territory the investments were made;

b) the Arbitration Institute of the Stockholm Chamber of Commerce;

c) an ad hoc arbitral tribunal in conformity with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

7. Under Article 9(2)(c) the Claimant is entitled to, and hereby chooses to submit the dispute to ad hoc UNCITRAL arbitration.

IV. THE CLAIMANT IS ENTITLED TO COMMENCE PROCEEDINGS

8. Pursuant to Article 9(1) of the Treaty, the Claimant sent to the Respondent written notification of the dispute accompanied by detailed comments dated 8 July 2015 (the “**Dispute Notice**”).⁴ The Dispute Notice was received by the Respondent on 10 and 14 July 2015.⁵ The Claimant sent to the Respondent a follow-up letter on 8 October 2015.⁶ The Respondent has provided no reply to either letter.

9. Article 9(1) of the Treaty provides that, after the submission of the Dispute Notice, “[t]he parties to the dispute shall strive to settle such a dispute to the extent possible by way of negotiations.” (Emphasis added). Article 9(2) then provides that the Claimant may commence arbitration “[i]f the dispute is not resolved in that way within six months as of the date of the written notification”.

⁴ Letter from Claimant to Respondent dated 8 July 2015, submitted as **C-5**.

⁵ Copies of the letter were delivered by courier on 10 July 2015 to all but one recipients listed in para. 5 above, with the final copy delivered on 14 July 2015. See Courier Receipts for Dispute Notice, **C-6**.

⁶ Letter from Claimant to Respondent dated 8 Oct. 2015, submitted as **C-7**.

10. The Claimant has satisfied this requirement, as this Notice of Arbitration is being filed on 18 January 2016, after the lapse of six months since the Dispute Notice was received by the Respondent.

V. SUMMARY OF THE DISPUTE

A. OSCHADBANK IS A QUALIFYING INVESTOR THAT HELD PROTECTED INVESTMENTS IN CRIMEA

11. Oschadbank, a legal entity duly established under the laws of Ukraine, is one of Ukraine's largest banks. As of March 2014, Oschadbank had the largest banking network in the Crimean peninsula with 294 banking outlets and with activities spanning numerous segments of banking services.

12. Oschadbank's property and activities in Crimea qualify as protected investments under Article 1(1) of the Treaty, which provides:

1. The term "investments" means all kinds of assets and intellectual values, which are invested by an investor of one Contracting Party in the territory of the other Contracting Party in conformity with its laws, and in particular:

- a) movable and immovable property, as well as respective proprietary rights;
- b) money, as well as securities, liabilities, deposits, and other forms of participation;
- c) intellectual property rights, including copyright and related rights, trademarks, the rights to inventions, industrial designs, models, as well as technological processes and know-how;
- d) rights to perform business activity, including rights to search for, cultivate and exploit natural resources.

Alteration of the type of investments, in which the funds will be invested, shall not affect their nature as investments, unless such alteration is contrary to the laws of a Contracting Party, in whose territory the investments were made.

13. The Claimant's lawful investments in Crimea included, *inter alia*, material assets (movable and immovable property), rights to real property (including rights emanating from lease agreements), claims, rights and economic interests arising from the relations of Oschadbank with its clients (including, *inter alia*, the right to dispose of and manage deposited funds, as well as claims under loan agreements), goodwill, credit and reputation. Oschadbank's extensive and profitable business operations, taken as a whole, also constituted an investment under Article 1(1) of the Treaty.

14. Moreover, the Claimant is a qualifying investor under Article 1(2)(b) of the Treaty, which covers “any legal entity, constituted under the law in force in the territory of that Contracting Party, provided, that the legal entity is competent under the laws of its Contracting Party to make investments in the territory of the other Contracting Party”.⁷ Prior to the commencement of the Respondent’s series of unlawful measures that ultimately destroyed the Claimant’s investment, the Claimant, a duly incorporated Ukrainian entity, faced no restrictions in conducting business in Crimea.
15. As Oschadbank will demonstrate in the course of the proceedings, when the breaches of the Treaty occurred its investments were in Russian “territory”, as that term must be interpreted in the context of the Treaty. Oschadbank will demonstrate that the term “territory” in the Treaty is not equivalent to “sovereign territory”.
16. In March 2014, Russia proclaimed Crimea to be a part of its sovereign territory. Oschadbank considers Russia’s actions in respect of Crimea wholly illegal under Ukrainian and international law, and rejects entirely the grounds, legal or otherwise, on which Russia purports to have annexed Crimea and proclaimed it to be part of its sovereign territory.
17. Through a series of acts beginning in February 2014 that the Claimant summarises below and will further particularise in its submissions, Russia established full control and jurisdiction over the territory of Crimea by, *inter alia*, exercising physical and administrative control over Crimean territory, adopting legislative and administrative acts that mandate the application of Russian laws in that territory, and assuming control of or establishing institutions charged with enforcing those acts.⁸ Consequently, Russia is responsible for any wrongful acts, including violations of the Treaty, carried out against Ukrainian investors in the territory of Crimea.
18. Further or alternatively, given its contemporaneous representations and subsequent bad acts, the Russian Federation must be estopped from relying on any interpretation of the term “territory” that is adverse to the Tribunal’s assertion of jurisdiction in this case. Consequently, without prejudice to the Claimant’s stated position that Russia’s

⁷ Treaty, C-1, Art. 1(2)(b).

⁸ Russia refers to those institutions as “Crimean authorities”. The Claimant’s use of this term is solely for purposes of reference and is not meant to accept the legitimacy of such “authorities”.

purported annexation of Crimea violated Ukrainian and international law, the Claimant's investments must be treated as if they were located in Russian territory for purposes of the Treaty, when the relevant Treaty breaches occurred.

B. FACTUAL OVERVIEW

19. Pursuant to, as named by Russia, (1) the Treaty on the Accession of the Republic of Crimea in the Russian Federation and on Creation of New Constituent Entities within the Russian Federation, ratified by the Russian Federation on 21 March 2014 (hereinafter the "**Accession Treaty**") and (2) the Federal Constitutional Law "On Admission to the Russian Federation of the Republic of Crimea and on Creation within the Russian Federation of New Constituent Entities - the Republic of Crimea and the Federal City of Sevastopol" dated 21 March 2014 (the "**Federal Law on Accession**"), Russia purported to annex Crimea into the Russian Federation. The Accession Treaty and the Federal Law on Accession on their terms established a "transitional period" from 18 March 2014 until 1 January 2015 "for settling issues of integrating the new federal constituent entities into the Russian Federation's economic, financial, credit and legal systems, the Russian Federation system of government agencies."
20. At the same time, Russian law permitted banks that were licensed by the National Bank of Ukraine and were registered and/or operating in Crimea as of 16 March 2014 (hereinafter "**Ukrainian banks**") to continue performing banking operations in Crimea until 1 January 2015 without any additional licensing requirements. In other words, Russian legislation recognized Oschadbank's legal standing in Crimea as an authorised banking institution with corresponding rights, and provided for a "transitional period" to facilitate Oschadbank's continued operations in Crimea. However, a number of further actions of Russia completely undermined any possibility of such continued operation.
21. On 2 April 2014, the Russian Federation adopted the Federal Law "On Specifics of Functioning of Financial System of the Republic of Crimea and Federal City of Sevastopol within the Transitional Period" (hereinafter the "**Federal Law on the Crimean Financial System**"). This law subjected Ukrainian banks in Crimea to draconian sanctions, including immediate termination of their banking operations for failing to comply with a variety of vague requirements; or for delaying the

performance of certain obligations by as little as a single day. The Federal Law on the Crimean Financial System lacked even the most basic due process safeguards, such as an opportunity for an affected financial institution to present its position regarding alleged breaches, or to contest the charges and sanctions levelled against it.

22. Without any lawful justification, the so-called Crimean authorities, operating as part of the Russian State and with the assistance of paramilitary so-called “Crimean Self-Defence Forces”, immediately sought to invoke the Federal Law on the Crimean Financial System to target Oschadbank’s operations, as well as those of other Ukrainian banks operating in Crimea. The Crimean authorities' conduct was intended to hinder or prohibit the operation of Ukrainian owned banks in Crimea, while permitting banks owned by or connected to the Russian government or the “Crimean authorities” to operate freely and take over the market there.
23. The so-called Crimean authorities achieved their objectives. The regional branch of Oschadbank operating in Crimea (hereinafter “**Oschadbank Crimea**”) was one of the first to be targeted, as part of a concerted program to expropriate Ukrainian banking assets and transfer them into the control of entities connected to or forming part of the Russian Federation.
24. By way of examples of such unlawful actions and activities:
 - a. In April 2014, the premises of at least 85 outlets of Oschadbank Crimea were subjected to physical seizure and looting by Crimean authorities and their so-called Self-Defence Forces.
 - b. On 16 May 2014, representatives of the Crimean Self-Defence Forces carried out an attack on the premises of the outlet of Oschadbank Crimea at 55A Kyivska St. in Simferopol and stole over UAH 32 million (approximately equivalent to USD 2,722,200 at the stated date) in cash.
 - c. In another incident, on 21 May 2014, Crimean Self-Defence Forces, accompanied by representatives of the Central Bank of the Russian Federation (hereinafter the “**Bank of Russia**”), seized from Oschadbank Crimea jewellery and precious stones with a total weight of approximately 300 kg and an estimated value of around UAH 60 million (approximately equivalent to USD

5,118,000 at the stated date), under the guise of enforcing an apparently forged order from a local court.

- d. At the same time, so-called Crimean authorities threatened and exerted pressure on employees of Oschadbank Crimea, including its top management. So-called Crimean authorities even drafted and publicized a list of persons whose presence in the territory of Crimea was considered “undesirable”. The list included the head of the management board of Oschadbank, Mr. Andriy Pyshnyy.⁹ One goal of such harassment and interference was to sever all possible links between Oschadbank Crimea and Oschadbank's central management and functions in Kyiv, so as to prevent Oschadbank from recovering its assets or continuing to manage its investments in Crimea.
- e. The physical seizures, harassment and other interference with Oschadbank's operations made it impossible for Oschadbank to comply with all the requirements of the Federal Law on the Crimean Financial System. Yet, even under these trying circumstances and contrary to the Russian media's portrayal of the issue, Oschadbank was determined to perform its obligations towards its contractual counterparties and business partners, and did its utmost to honour its obligations to individual depositors and other creditors. Oschadbank in fact established an internal regulation allowing its customers access to banking services, including the possibility to withdraw their funds, in any branch of Oschadbank wherever located geographically.¹⁰ Nonetheless, on 26 May 2014, the Bank of Russia wrongfully found Oschadbank to be in breach of its obligations to its depositors and ordered the termination of Oschadbank Crimea's operations.
- f. The decision of the Bank of Russia to terminate Oschadbank Crimea's operations was followed by acts against Oschadbank by an Autonomous Non-Profit Organization, the so-called “Depositor Protection Fund” (hereinafter the “**DPF**”). The DPF is a purported depositor insurance scheme under the control

⁹ The list was published on the website of the so-called State Council of the Republic of Crimea on 2 Apr. 2014, *available at* http://crimea.gov.ru/news/02_04_14_12.

¹⁰ Oschadbank Regulation No. 371 dated 16 June 2014, customer information about Regulation No. 371 *available at* http://www.oschadbank.ua/ua/private/info_Crimea/vklad/index.php.

of the Russian and Crimean authorities, which has raised legal claims against Oschadbank under individual depositor agreements. The DPF has initiated court proceedings against Oschadbank in the commercial courts of Crimea seeking to collect on those claims. As a result, Oschadbank's assets in Crimea were targeted with injunctive measures, including attachment orders. Russia's bailiff service enforced those measures and severely restricted Oschadbank's ability to enjoy and benefit from its investments in Crimea. Furthermore, despite Oschadbank's standard policy on allowing all its customers, including Crimean depositors, access to their accounts from any branch in Ukraine, the DPF has initiated a number of court proceedings against the Bank on behalf of the Oschadbank Crimea depositors.¹¹

g. At the same time, an individual considered by Russia to be the Crimean deputy prosecutor, initiated court proceedings against Oschadbank in the Kyiv District Court of Simferopol City. In the course of this court proceeding against Oschadbank, the court issued a provisional measure transferring to the DPF all of Oschadbank's Crimean assets, including movable and immovable property, claims and rights of Oschadbank emanating from agreements, including lease agreements, and other rights and claims of Oschadbank, thus depriving Oschadbank Crimea of the aforementioned assets. Thus, the DPF obtained custody of, *inter alia*, physical items of value, specifically cash stored in Oschadbank, precious metals and other valuables. The DPF also purported to acquire Oschadbank's rights under its loan agreements and security agreements with third parties. In effect, the DPF thus claims to be the holder and administrator of the entirety of Oschadbank's Crimean assets.

25. The court proceedings against Oschadbank in Crimea are abusive, and legally and factually unfounded. Moreover, such proceedings have resulted in numerous violations of elementary due process rights and guarantees. Together with the Russian Federation's overall treatment of Oschadbank, those proceedings have resulted in total destruction of the value of Oschadbank's investments in Crimea.

¹¹ A summary of the DPF's claims against various Ukrainian banks, including Oschadbank, is *available at* <http://fzvklad.ru/judicial/>.

Oschadbank reserves the right to claim for any additional losses inflicted upon it through ongoing abusive litigation proceedings.

26. Notably, individuals who the Russian Federation considers to be high-level authorities of the so-called Republic of Crimea, have addressed residents of Crimea with official statements by which they (purportedly) temporarily relieve them from obligations to make payment on loans obtained from Ukrainian banks.
27. The Russian Federation is reported to have prepared legislation apparently intended to facilitate the repayment of debts by Crimean residents to Ukrainian banks, subject to restrictive conditions that Ukrainian institutions likely will be unable to satisfy. Such conditions include the repayment of the debt only in Russian rubles, exclusively to a Russian entity, and only if the creditor's management has a "good business reputation". The so-called Crimean authorities already have made public statements against the new law. The extent to which this law will come into effect, and promote loan repayment, remains unclear.
28. Oschadbank's investments have either been devalued or lost. To date Oschadbank has received no compensation in connection with its losses from the Russian Federation, from entities under the control of the Russian Federation or from third parties.

C. RUSSIA HAS VIOLATED THE TREATY AND INTERNATIONAL LAW

29. The actions described above are only some of the most blatant violations of the Treaty by Russia and entities for whose actions Russia is responsible under international law. Oschadbank reserves the right to amend and/or to expand upon the bases of its claims against the Russian Federation in due course.
30. The Russian Federation has breached, *inter alia*, the following provisions of the Treaty and other rules of international law binding on the Russian Federation:
 - a. the obligation to accord full and unconditional legal protection under Article 2 (2) of the Treaty;
 - b. the obligation to accord Oschadbank's investments fair and equitable treatment and full protection and security arising under Article 3(1) of the Treaty, in combination with more favourable provisions from Russia's investment treaties

with third parties, on which the Claimant may rely by operation of the Treaty's Most Favoured Nation (**MFN**) clause;

- c. the obligation under Article 3 (1) of the Treaty to provide treatment of Oschadbank's investments no less favourable than the treatment accorded to its own investors or investors of any third state, and to avoid the application of discriminatory measures that could interfere with the management and disposal of those investments;
- d. the obligation of transparency of its legislation under Article 4 of the Treaty;
- e. the obligation under Article 5 (1) of the Treaty not to expropriate the Claimant's investments, with the exception of cases when such measures are not of a discriminatory nature and entail prompt, adequate and effective compensation;
- f. the obligation under Article 7 of the Treaty to ensure the right of Oschadbank to transfer payments associated with investments and the right to divest investments; and
- g. the guarantee against denial of justice that binds the Russian Federation under the Treaty and in accordance with principles of international law.

D. DAMAGES

- 31. As a result of multiple breaches by the Russian Federation of its obligations under the Treaty and international law, Oschadbank has suffered substantial losses. The amount of such losses is subject to quantification at a later date, but currently is estimated to be no less than **six hundred and seventy million United States dollars**, excluding interest, consequential losses, moral damages and legal fees and costs. Oschadbank reserves the right to amend this estimate.

VI. NUMBER OF ARBITRATORS, LANGUAGE AND PLACE OF ARBITRATION

- 32. The Treaty makes no provision regarding either the number of arbitrators, or the language or place of the arbitration.

33. The Claimant proposes that the Tribunal consist of three arbitrators. The Claimant further proposes that the language of the arbitration be English and that the place of the arbitration be The Hague, the Netherlands.

VII. CONSTITUTION OF THE TRIBUNAL

34. Pursuant to Article 9 of the UNCITRAL Rules, the Claimant hereby appoints The Honorable Charles N. Brower, a national of the United States, to serve as its party-appointed arbitrator. Judge Brower's contact information is as follows:

The Hon. Charles N. Brower
Arbitrator
20 Essex Street Chambers
20 Essex Street
London WC2R 3AL
England
Tel: +44 (0)20 7842 1200
Fax: +44 (0)20 7842 1270
E-mail: cbrower@20essexst.com

35. Judge Brower has confirmed to counsel that he is and shall remain impartial and independent of the parties during the pendency of the arbitration.

VIII. REQUEST FOR RELIEF

36. Without prejudice to its rights to amend, supplement or restate the relief to be requested in the arbitration, the Claimant requests the Tribunal to:

- (1) declare that the Respondent has breached the terms of the Treaty and international law;
- (2) award the Claimant monetary damages of at least USD 670 million (six-hundred-seventy-million) in compensation for all of its losses sustained as a result of being deprived of its rights under the Treaty and international law including, *inter alia*, reasonable lost profits, direct and indirect losses, including, without limitation, loss of reputation and goodwill, and losses of all tangible and intangible property caused by the Respondent;
- (3) award all costs, including, without limitation, attorneys' and all other professional fees, associated with any and all proceedings undertaken in connection with this arbitration, including all such costs undertaken to

investigate this matter and prepare this Notice of Arbitration, and all such costs expended by the Claimant in attempting to resolve this matter amicably with the Respondent before serving this Notice of Arbitration;

- (4) award pre-and post-judgment interest at a rate to be fixed by the Tribunal; and
- (5) grant such further or other relief as the Tribunal may deem appropriate.

For the avoidance of doubt, the Claimant hereby expressly reserves all of its rights including its rights to pursue any and all other remedies to which it may be entitled under national and international law.

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