Neutral Citation Number: [2021] EWHC 545 (Fam)

Case No: FD13D05340

IN THE HIGH COURT OF JUSTICE
FAMILY DIVISION

Royal Courts of Justice
Strand, London, WC2A 2LL

Date: 21/04/2021

Before:

MRS JUSTICE KNOWLES

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Between:

TATIANA AKHMEDOVA	**Applicant**
- and -	
(1) FARKHAD TEIMUR OGLY AKHMEDOV	**Respondents**
(2) WOODBLADE LIMITED	
(3) COTOR INVESTMENT SA	
(4) QUBO 1 ESTABLISHMENT	
(5) QUBO 2 ESTABLISHMENT	
(6) STRAIGHT ESTABLISHMENT	
(7) AVENGER ASSETS CORPORATION	
(8) COUNSELOR TRUST REG (as trustee of the trusts set out in Part A of Schedule 1 to the Order of Mrs Justice Knowles dated 15 August 2019)	
(9) SOBALDO ESTABLISHMENT (as trustee of the trusts set out in Part B of Schedule 1 to the Order of Mrs Justice Knowles dated 15 August 2019)	
(10) TEMUR AKHMEDOV	
(11) BORDEREDGE LIMITED	

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Alan Gourgey QC and James Willan (instructed by **PCB Litigation**) for the Applicant
Graham Brodie QC and Richard Eschwege (instructed by **BCL Solicitors LLP**) for the Eighth and Ninth Respondents
Robert Levy QC and Oliver Assersohn (instructed by **Patron Law**) for the Tenth Respondent
Erin Hitchens (instructed by **Patron Law)** for the Eleventh Respondent

30 November, 1-4 December, 7-11 December; 14-18 December 2020

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Approved Judgment

I direct that no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

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The judge has given leave for this version of the judgment to be published.

Covid-19 Protocol: This judgment was handed down remotely by circulation to the parties' representatives by email and release to BAILII, Lawtel and LexisNexis. The date and time for hand down is deemed to be at 10.30am on Wednesday 21st April 2021.

Mrs Justice Knowles:

Introduction

1. All happy families are alike, each unhappy family is unhappy in its own way. With apologies to Tolstoy, the Akhmedov family is one of the unhappiest ever to have appeared in my courtroom. Though this case concerns wealth of which most can only dream, it is - at its core - a straightforward case in which, following their divorce, a wife seeks to recover that which is owed to her from a husband and his proxies who, it is alleged, have done all they can to put monies beyond her reach. Nevertheless, it is a case not without legal and factual complexity though much of that stems from the details of dishonest schemes instigated by Farkhad Akhmedov and put into effect by his advisors and his eldest son, Temur Akhmedov.

2. These proceedings have been the subject of intense media interest. This judgment will endeavour to provide a clear context for the claims brought by Tatiana Akhmedova ["the Wife"] against some of the Respondents, and will then analyse and determine those claims, having taken account of a mass of documentary and oral evidence. This judgment is necessarily lengthy as it concerns separate claims against three Respondents. At the conclusion of this judgment is a glossary which (a) identifies the principal actors, orders, and claims and (b) contains a list of every reported judgment in this case with a brief description. I have also appended a chronology for ease of reference.

3. At the outset, I wish to record my thanks to the advocates who appeared before me. Their written and oral submissions were excellent, and each said all that could have been said on behalf of their respective clients. If, at times, I have not done justice to the skill with which their submissions were made, the fault is mine. I have taken account of all the arguments made by each party in coming to my conclusions.

4. I have read a very significant amount of material contained in many bundles together with three bundles of law and case law. Though I have been confronted with this case on many occasions in the past and so have some acquaintance with its difficulties and nuances, I have read more deeply into it than the time allocated for that purpose in the trial template. Much of the documentation was contemporaneous to the events recorded in this judgment but I reminded myself to examine it carefully especially as the authors, with the exception of Temur, did not give evidence to me.

5. This judgment has been delayed by the need to receive further submissions from the parties due on 11 January 2021 and by my other judicial commitments. I observe that the trial time estimate contained no allowance for judgment writing. Had it done so, the trial would have been delayed until well into 2021.

Summary of My Conclusions

6. The Wife has been the victim of a series of schemes designed to put every penny of the Husband's wealth beyond her reach. That strategy was designed to render the Wife powerless by ensuring that, if she did not settle her claim for financial

relief following their divorce on the Husband's terms, there would be no assets left for her to enforce against. Their eldest son, Temur, confirmed in his oral evidence that the Husband would rather have seen the money burnt than for the Wife to receive a penny of it. Regrettably, those schemes were carried out with Temur's knowledge and active assistance. I reject his case that he was a mere go-between for his father: the evidence indicated otherwise. Temur told me in his evidence that he had helped his father protect his assets from his mother's claims. He was, indeed, his father's lieutenant. Temur has learned well from his father's past conduct and has done and said all he could to prevent his mother receiving a penny of the matrimonial assets. He lied to this court on numerous occasions; breached court orders; and failed to provide full disclosure of his assets. I find that he is a dishonest individual who will do anything to assist his father, no doubt because he is utterly dependent on his father for financial support.

7. The transfers of very large sums of money to Temur in 2015 and 2016 were driven by the Husband's overarching desire to keep his assets from the Wife. The transfer of $50 million in August 2015 took place only because there was an urgent need to move all Cotor's available cash in circumstances where the transfer of Cotor's entire portfolio of assets to Emirates NBD had to be put on hold due to market volatility. Temur understood his father's purpose at the relevant times and worked with him to achieve the aim of preserving assets for the family by keeping them out of the Wife's hands.

8. The transfer of funds to Borderedge was a necessary part of the scheme to strip everything from Cotor. The intention was to ensure that the funds which had been *"blocked"* as cash collateral for the UBS loans would never become available for enforcement of a judgment against Cotor. No one has been able suggest any other purpose for the transfer of that cash from Cotor to Borderedge in November 2016. The arrangements to transfer that cash were orchestrated by Kerman & Co, on behalf of the Husband, and that firm provided the instructions to Borderedge's nominee director. I reject Borderedge's claim that it acted in good faith.

9. The transfers to the Liechtenstein Trusts were, on Temur's own admission, intended to put assets beyond the Wife's reach. I reject the legal arguments advanced by the Liechtenstein Trusts, most of which I had already rejected in my judgment handed down on 14 August 2020. An application by the Liechtenstein Trusts for permission to appeal my August 2020 decision was refused by the Court of Appeal on 27 November 2020.

10. Finally, despite a formidable smokescreen intended to show that the transfer of the Moscow Property was an arm's length commercial transaction, I have no hesitation in finding that the Husband simply gave this property to Temur. I reject Temur's case that the Husband was engaged in some form of *"estate planning"*. Once the Wife commenced her claim against Temur in late 2019, Temur quickly arranged with his father to move ownership of the Moscow Property back to his father to frustrate his mother's claim in these proceedings.

11. It follows that I grant the Wife's claims against the Liechtenstein Trusts, Borderedge and Temur.

12. Finally, I dismiss Temur's counterclaim for alleged breach of confidence or privacy owed to him in respect of documents provided by Mr Henderson which contained information about his financial affairs, living costs and expenses, and financial and business affairs. Temur cannot claim confidentiality or privacy in documents which were provided to the Wife's lawyers and which revealed serious wrongdoing by Temur and his father. Moreover, by my judgment handed down in November 2019, the Wife was expressly permitted to use those documents as if they had been disclosed in these proceedings. In any event, Temur has been unable to demonstrate that he has suffered loss.

The Parties to the Proceedings

13. The Wife is the former wife of the First Respondent Husband. In December 2016, Haddon-Cave J (as he then was) ordered the Husband to pay the Wife the sum of £453,576,152 in settlement of her financial claims against him following their divorce. The claims the Wife now advances against the remaining respondents all ultimately derive from this order and from transactions which the Wife alleges derive from the Husband's schemes to evade compliance with that order.

14. The Second Respondent ["Woodblade"] is a company registered in the Republic of Cyprus. At all material times: (i) the Husband was a director of Woodblade; and (ii) Woodblade has been a trustee of a Bermudan law trust of which the Husband was the *'settlor'*, *'principal beneficiary'*, and *'protector'*.

15. The Third Respondent ["Cotor"] is a company incorporated in Panama. By his judgment of 15 December 2016 and order of 20 December 2016, Haddon-Cave J found Cotor to be the Husband's nominee.

16. The Fourth and Fifth Respondents ["Qubo 1" and "Qubo 2"] are Liechtenstein establishments owned by the Eighth Respondent in its capacity as trustee of a Liechtenstein trust known as the Simul Trust. By his judgment and order dated 20 December 2016, Haddon-Cave J found Qubo 1 and Qubo 2 to be the Husband's nominees.

17. The Sixth Respondent ["Straight"] is a Liechtenstein establishment owned by the Eighth Respondent in its capacity as trustee of a Liechtenstein trust known as the Navy Blue Trust.

18. The Seventh Respondent ["Avenger"] is a company incorporated in Panama. By his judgment of 19 April 2018, Haddon-Cave J found Avenger to be the Husband's nominee.

19. The Eighth Respondent ["Counselor"] is a trust company incorporated and registered in Liechtenstein. It is a trustee of a number of Liechtenstein trusts, including the Simul Trust, the Genus Trust, the Arbaj Trust, the Navy Blue Trust, the Ladybird Trust and the Carnation Trust.

20. The Ninth Respondent ["Sobaldo"] is a trust company incorporated and registered in Liechtenstein. It is a trustee of a Liechtenstein trust called the Longlaster Trust.

21. The Tenth Respondent is Temur, the Wife's and the Husband's eldest son. He is a British citizen who lives in London.

22. The Eleventh Respondent ["Borderedge"] is a company registered in the Republic of Cyprus. Its shares are legally owned 50:50 by Temur and by the Wife's and the Husband's second and younger son, Edgar. It owns an 80% share in a French company called SCI Villa Le Cottage, which in turn owns a valuable property known as Villa Le Cottage in Cap Ferrat, France.

Background: Summary

23. This section sets out the Husband's schemes of evasion in chronological order. Given that the knowledge and intention of the Husband and the involvement of Temur were central to these proceedings, what follows provides a critical background for an assessment of their knowledge and conduct in respect of the specific transfers in issue in these proceedings. Some of this chronology has already been examined by Haddon-Cave J, but more is now known about the steps that the Husband was taking to put his assets beyond the Wife's reach whilst the Wife's application for financial remedies was pending. The Wife has been able to obtain documents through (a) requests for discovery in aid of foreign proceedings in the US District Courts under US Code 1782, (b) inspection of the files relating to the criminal investigation for fraudulent bankruptcy and money laundering in Liechtenstein, and (c) documents provided to the Wife by Mr Henderson which he obtained whilst running the Husband's family office (Cotor Asset Management).

2014-2015

24. The Wife issued her petition for financial relief on 30 October 2013. This was served on 23 December 2013.

25. In February 2014, the Husband purchased a superyacht known as the M/Y Luna from Roman Abramovich for 260 million euros ["the Yacht"]. As Haddon-Cave J held, the Yacht was the subject of a *"dummy sale"* from Tiffany Limited ["Tiffany", a company incorporated in the Isle of Man] to Avenger [a Panamanian company] in 2014, using funds derived from the Husband's own bank account. The transfer of monies to Avenger and the payment of those monies to Tiffany was a deliberate mechanism by which the Husband tried falsely to pretend the ownership of the Yacht was held by a Panamanian company rather than a company incorporated in the Isle of Man, where enforcement by the Wife was possible.

26. On 17 March 2015, the Husband purported to assign the entire issued share capital in various companies to the Akhmedov 2013 Discretionary Trust [the "Bermudan Trust"] by way of a deed of trust. This disposition included his shares in (a) Avenger, which then owned the Yacht, and (b) Sunningdale Limited ["Sunningdale"], which was then the indirect owner of the Moscow Property. In a witness statement provided very shortly thereafter on 21 March 2015, the Husband stated that he was *"one of a number of discretionary beneficiaries of an offshore trust which is beneficially interested in the following assets…(i) 9 Solyanka Street, Moscow (the Moscow Property), (ii) Motor Yacht – M/Y Luna*

(the Yacht)… (iii) a collection of works of art by contemporary artists ["the Artwork"] … (iv) cash and securities valued at US$1 billion net ["the Monetary Assets"]".

27. As Haddon-Cave J held in his judgment of 15 December 2016 at [70]-[73] (AAZ v BBZ & Ors [2016] EWHC 3234 (Fam)), and as is apparent from the face of the trust deed, the Bermudan Trust was a *"dear me"* trust. The Husband was omnipotent because he acted as the settlor, principal beneficiary, protector, and sole director of the corporate trustee, Woodblade. The Bermudan Trust specifically permitted distributions to the Husband during his lifetime without regard to the interests of other discretionary beneficiaries. Haddon-Cave J set aside this disposition under s.423 of the Insolvency Act 1986 ["the IA"] and s.37 of the Matrimonial Causes Act 1973 ["the MCA"] because *"it is clear that [the Husband] was attempting to hide [the companies] in an offshore trust because he was faced with [the Wife's] imminent claims in these proceedings"* in a *"transparent attempt to put the assets of [the companies] out of his (legal) reach…"*.

28. By the time of his Form E in October 2015, the Husband claimed that he owned just £12.6 million in assets consisting of (a) about £2 million in property in Russia and Azerbaijan, (b) about £2 million held in bank accounts, and (c) £10 million, representing 50% of the contents of the marital home. Otherwise, the Husband claimed only to have an unquantifiable discretionary interest in the Bermudan Trust, which was said to hold assets worth US$1.2 billion. The Husband also declared that all his income and capital needs would be met from the Bermudan Trust.

The Middle East Schemes: 2015

29. In the latter half of 2015 - and presumably appreciating that a *"dear me"* trust was unlikely to provide effective asset protection - the Husband embarked on a new set of schemes. These schemes involved two elements: (a) transferring the Husband's assets - including, in particular, the Monetary Assets - to a jurisdiction where the Wife would be unable to enforce an English judgment, and (b) charging the Husband's movable assets to an offshore bank (but depositing the proceeds of the *'loan'* with the same bank) so that any attempt by the Wife to enforce against such assets would be met by the bank asserting a security interest [the "Security Scheme"].

30. The contemporaneous communications revealed a real urgency to implement these schemes during 2015. This was because there was due to be a hearing on 22 June 2015 at which the Husband feared that the Wife would apply for a freezing injunction; and, after that hearing had taken place, a concern that the Wife would apply for injunctive relief if a settlement meeting scheduled for 31 July 2015 ended badly.

31. The Husband's strategy was described in frank terms by Mr Kerman, the Husband's solicitor and man of business, in a series of emails sent to Temur in mid-2015:

a) In an email on 1 May 2015, Mr Kerman explained that *"currently there are no reciprocal enforcement arrangements between the UK and Qatar. If [the Wife] wanted to try to enforce a financial order against [the Husband] then she would have to instruct lawyers to make an application in Qatar. She would have extreme difficulty because she would have to persuade the Qatar court that an English financial order on the divorce should be enforced there - even though you are a Russian national, a Moslem and not resident in England…"*. Following a meeting in Qatar about a week later attended by the Husband and Temur, Temur told Mr Kerman on 11 May 2015 that *"Meeting… was very good"* and asked *"When should we move the carrots over? Father said not too late?"*. I note that, at the time the Husband was starting to *"move the carrots"*, he also transferred the sum of US$7.5 million to Temur.

b) In an email of 9 June 2015, Mr Kerman stated that *"… we have been trying to put in place a structure in the UAE, where it would be very difficult for your Mother to enforce an English judgment"*.

c) On 23 June 2015, Mr Kerman described both elements of the strategy. First, *"… for as long as your Mother continues with the English divorce proceedings the very best way for your father to protect his money and assets would be to move them to (and keep them in) a "safe" jurisdiction, meaning a country where your Mother could not enforce an English court order - for example, Azerbaijan, Dubai, Qatar etc"*. Second, as to the Security Scheme, *"…we were trying to arrange charges over Luna and the aircraft with CBQ (Commercial Bank of Qatar), and the paintings fall into the same category. The protection operates on the basis that once a charge is given to a bank that bank would object to any attempt to enforce a court order against the asset, because the bank is holding that asset as its security"*.

d) In his email of 14 July 2015, Mr Kerman explained in greater detail that *"we have been attempting to safeguard all his assets by placing them in jurisdictions where it would be hard if not impossible for your mother to enforce any English court order that she might obtain… As you know, the best protection for these assets [the Yacht and the Artwork] that we have been able to come up with in all the circumstances is that they be charged to an offshore bank. However, quite apart from the risks and uncertainties which are always present in any litigation, the success of this operation is absolutely dependent on whether the bank your Father chooses cooperates with him and actively defends (at your Father's expense) its charges over the assets on the basis that the bank has a security interest in them. It is therefore essential that whatever bank is used understands that this is what it will have to do and will not get 'wobbly' at the last minute if an attack is made"*.

e) On 12 September 2015, Mr Kerman explained that *"we selected Dubai as the place to which you might move your banking solely because of the difficulties [the Wife] would face in enforcing an English judgment there"*.

f) On 5 October 2015, Mr Kerman described the strategy again: *"the whole point of mortgaging the major assets (the boat, the art and the aircraft) to a suitably located bank is to make it infinitely harder for your Mother to enforce against them. Had your father gone ahead with ENBD, your Mother*

would have been forced to go through the UAE courts and Reed Smith say this would be practically impossible as the law stands. If she did make an attempt to do this the bank would say, "We have loaned against these assets, they are our security and no one can touch them". This is the strategy Ray and we have been advising your Father on for over a year".

32. To implement this scheme, the Husband (through Mr Kerman) engaged Reed Smith, a firm of lawyers with an office in the United Arab Emirates (UAE). In an email dated 6 November 2014, Mr Moore of Reed Smith described the initial concept and referred to the fact that a UK matrimonial judgment was not expected to be enforceable in the UAE. He set out the plan to replace each of the Husband's existing *"trust-related entities (FASP [the owner of Woodblade], Woodblade etc."* with *"a form of UAE entity"*.

33. Thereafter, the Husband established a new corporate structure in the UAE. The relevant companies included Paveway Middle East Holdings Ltd (to replace Woodblade), Clearfield Middle East Holdings Ltd ["Clearfield"] (to replace Cotor as the holder of the Monetary Assets) and Nina Middle East Holdings Ltd (to act as a holding company for the Artwork and Yacht). After some delay and difficulty, the Husband and Clearfield opened accounts with a bank in the UAE, namely Emirates NBD. There were also extensive discussions with Emirates NBD regarding the proposed security scheme. Additionally, steps were taken to prepare transfers of the Husband's other assets (such as the Artwork and Yacht) to the UAE. Thus, by August 2015, the corporate structure had been put in place in the UAE and bank accounts had been opened at Emirates NBD.

34. On 17 August 2015, Temur gave instructions to transfer the Monetary Assets in Cotor to the UAE, telling the Husband's lawyers *"Father says to move all ASAP"*. Attempts were made to conceal the origin of the funds. At about the same time, instructions were also given to transfer other assets, including the Yacht, into the Dubai structures. However, a few days later, on 24 August 2015, all of the transfers were stopped. This was because there had been large losses in the UBS portfolio on the day the transfer was due to take place consequential upon a Chinese stock market crash. As a result of market volatility, only US$50 million was available in Cotor's portfolio at the time. The full amount of this US$50 million was transferred to Temur personally instead of being transferred into the UAE structures. That sum of money is the subject of one of the Wife's claims, but it was noteworthy that the Husband had transferred all available cash in Cotor to Temur immediately after his plan to hide assets in the UAE had to be put on hold.

35. In early September 2015, the Husband had decided to re-initiate the transfers of his assets to the UAE (both the Monetary Assets and the Artwork/Yacht). Apparently, this was because the prospect of reaching a settlement with the Wife had faded. In an email dated 13 September 2015, the Husband explained to Temur that *"we did not want to move 10 days ago because we been hoping to reach agreement. Hope diminished… Then I decided to choose between two devils… Why should we disclose NBD account? To make easy target? Why? Always mislead you enemy, take them a wrong trap to miss follow you. Let's move all then we'll see new picture afterwards without guessing as women head is rational but illogical"*. That email formed part of a chain of emails in which

Temur had written earlier that day to Mr Kerman and Mr Devlin (an associate of Mr Kerman's) *"if the Tatiana problem did not exist, my Father would not move his assets anywhere…!!"*.

36. The transfer to the UAE ultimately took place on or about 20 September 2015, when the Monetary Assets held in Cotor (then in a sum of US$937 million) were transferred to Clearfield at Emirates NBD.

37. About a month later, on 20 October 2015, the Husband decided to transfer the Monetary Assets back to Cotor's account at UBS. This was because Emirates NBD refused to participate in the security scheme, considering that it would appear to be obviously illegitimate because the bank would have no real interest in the security it held over the assets. Accordingly, the Husband decided to abandon Emirates NBD because it was not willing to go far enough to assist him in his schemes.

38. The Husband made other efforts to find a bank in the UAE which might assist him with these schemes. For example, Mr Kerman and Temur met with Mirabaud, an asset management company, in June 2015. Following that meeting, Mr Kerman recorded that *"Mirabaud appears to cater for just the kind of situation [the Husband] is in"*. The Husband and Temur were actively exploring the possibility of opening an account at Mirabaud. It was clear that Mirabaud was being asked to participate in the same schemes as previously outlined: for example, Mr Devlin explained that *"if the boat is charged to Mirabaud and Tatiana tries to enforce an English court judgment against it, Mirabaud would formally protest and say that they have a security interest in the boat, and that Tatiana could not therefore enforce her judgment against this asset"*. In so far as can be discerned from the contemporaneous documents, the Husband did not proceed with Mirabaud in 2015 because of its much higher fees. However, in November 2016, Temur again raised the possibility of transferring assets to Mirabaud when there were delays in arranging the transfer of the Monetary Assets in Liechtenstein.

39. Thus, by 2016, the Husband was left in the position that his Monetary Assets (as well as the Yacht and Artwork) remained vulnerable to enforcement. The Monetary Assets were once again held by Cotor at UBS in Switzerland.

The Liechtenstein Schemes 2016

40. A much more limited documentary record was available of the schemes implemented in 2016. This was because Mr Henderson ceased to work for the Husband in August 2015 and because the Respondents failed to disclose hardly any contemporaneous documents after March 2016.

41. The Liechtenstein schemes were implemented through (a) two licensed trust companies in Liechtenstein: WalPart Trust Reg ["WalPart"] and Counselor, and (b) a Liechtenstein law firm: Schurti Partners, then known as "Walch & Schurti". Their corporate literature explains that WalPart and Walch & Schurti operate *"in close cooperation"*, advertising themselves as specialists in (amongst other matters) *"asset protection"*. Those entities largely share the same principals: Dr Schurti, Dr Blasy, Mr Hanselmann, Dr Ernst Walch and Dr Barbara Walch

(although Dr Ernst Walch and Dr Barbara Walch ceased to be directors on 3 July and 26 June 2019 respectively). All but Mr Hanselmann are/were also partners of Walch & Schurti.

42. The Liechtenstein schemes shared the same purpose as the previous schemes involving Qatar and the UAE, namely, to move assets into a jurisdiction where the Wife would not be able to enforce an English judgment. As was common ground, it is effectively impossible to enforce English judgements in Liechtenstein if enforcement is opposed by the judgment debtor. This is because Liechtenstein is not a party to any enforcement convention with the UK and, by filing a disallowance claim, the judgment debtor therefore has a right to insist on re-litigating the underlying dispute on the merits before the Liechtenstein courts.

43. It appears that work on the Liechtenstein schemes started in July 2016, that was in the months leading up to the final hearing of the Wife's claim for financial remedies. The Wife recently obtained a file note from the Liechtenstein criminal files concerning a meeting between Mr Kerman (representing the Husband) and Dr Schurti and Dr Blasy held on 20 July 2016. This seems to have been the first meeting between them relating to the Husband's assets. The topic was described as *"moving the [Bermudan Trust] to Liechtenstein"*. There was an emphasis on the need for *"asset protection"*, although, if the note is accurate, Mr Kerman made out that the Husband's concern was *"former business partners and former opponents in litigation"* rather than the Wife's pending financial remedies claims.

44. Dr Schurti and Dr Blasy proposed a structure which involved a *"Liechtenstein Trust with a Liechtenstein trustee, which holds the assets through three vehicles peculiar to Liechtenstein law ('Anstalt' or 'establishment'): one for the yacht, one for the works of art, and one for the bankable assets*". They also proposed that a foundation or Anstalt be appointed as protector, whose director could be a close relative of the Husband.

45. In litigation in the Marshall Islands concerning the Yacht, Dr Schurti gave a sworn declaration that *"the first time that [he] became aware of the English divorce proceedings"* was when Qubo 1 and Qubo 2 were served with the Liechtenstein District Court freezing order on 29 December 2016. That declaration was wholly at odds with the file note which recorded that Dr Schurti and Dr Blasy were told at the outset that *"the lady [the Wife] had started divorce new proceedings in England a few months after [the Husband] became a billionaire through the sale of Northgas"*. It is unclear what efforts the Liechtenstein entities made to inform themselves as to the claims being made in the divorce proceedings.

46. The documents reveal that the schemes were implemented over the following months and prior to the final hearing in England. Work appeared to accelerate in October 2016, at the very time when the Wife was seeking to join Woodblade and Cotor as parties to the proceedings at the prehearing review to be held on 25 October 2016.

47. Insofar as the Yacht and the Artwork were concerned, the following occurred:

a) The Simul Trust was established on 10 October 2016. The Wife has still not been able to obtain a copy of the trust deed, but it is known that (a) Counselor is trustee, (b) the beneficiaries are the descendants of the Husband's late mother, and (c) the protector had the power to appoint and remove the trustee and to veto certain decisions of the trustee such as distributions. The protector is a Liechtenstein foundation named *"Neue Artemis Stiftung"*, the majority of whose board is made up of the Husband and his two brothers.

b) Qubo 1 and Qubo 2 were established as Anstalten on 21 October 2016, with their founder's rights held by the Simul Trust. Qubo 1 was established to receive the Artwork and Qubo 2 to receive the Yacht. WalPart is the sole director of each of Qubo 1 and Qubo 2.

c) The Artwork was transferred from Cotor to Qubo 1 in around mid- November 2016, that is shortly before the trial in December 2016. When cross-examined on 16 December 2016, Mr Kerman gave evidence that Walch & Schurti drew up the documents for the transfer to Qubo 1. Dr Schurti and Dr Blasy were given powers of attorney to act for Cotor. The Artwork was also physically moved from a freeport in Switzerland to a vault in the *"Treasure House"*, a secure storage facility in Liechtenstein. Haddon-Cave J concluded that the transfer *"…was simply the latest part of H's attempts to avoid his liabilities by purporting to transfer his assets to new entities in a new jurisdiction and thereby making enforcement more difficult"*. He concluded that Qubo 1 and Qubo 2 *"are no more than ciphers and the alter ego of H*" and that the transfer of the Artwork infringed s.423 IA.

d) The trial before Haddon-Cave J proceeded on the basis that the Yacht was still owned by Avenger. However, unbeknownst to either the Wife or the court, the Yacht had in fact been transferred to Qubo 2 on the second day of the trial, as part of what Haddon-Cave J subsequently found to be *"a rapid series of further surreptitious steps to attempt to place his yacht further beyond the reach of enforcement"*. This was achieved by Avenger transferring the Yacht to its parent company (Stern Management Corp) which, in turn, transferred the Yacht to Qubo 2. This effectively moved the Yacht into a Liechtenstein trust structure (that is, under the Simul Trust).

48. With respect to the Monetary Assets, which are the subject of the present proceedings, the following steps were taken:

a) At the meeting on 20 July 2016 (see paragraph 43 above), Dr Schurti had recommended LGT Bank ["LGT"], a Liechtenstein private bank, to Mr Kerman. Mr Kerman contacted LGT on 22 July 2016 and, on 1 August 2016, sent a letter (i) providing details of the Husband and of the Bermudan Trust, and (ii) setting out a proposal to open an account in the name of Cotor. A meeting was then held between Mr Kerman and LGT on the following day. Cotor eventually opened an account at LGT on 31 October 2016.

b) The Genus Trust was established on 12 October 2016 (that is, within two days of the establishment of the Simul Trust for the Yacht and the Artwork). Again, the Wife has been unable to obtain a copy of the trust deed, but it appears that the

Genus Trust is materially identical to the Simul Trust. The Genus Trust also opened an account with LGT on 28 November 2016.

c) Throughout November 2016, the Husband, Temur, Mr Kerman, UBS and LGT engaged in extensive correspondence to arrange the transfer of the Monetary Assets held by Cotor at UBS in Switzerland to Cotor's newly opened account with LGT in Liechtenstein.

d) The Monetary Assets were transferred into Liechtenstein during November and December 2016. In his oral evidence obtained under summons, Mr Kerman said that around US$650 million was transferred from Cotor's account at UBS Switzerland to Cotor's account with LGT in Liechtenstein.

e) The Husband also instructed UBS to transfer Avenger's funds to Cotor's UBS account and, from there, to Cotor's LGT account: *"Please transfer all remaining cash from Avenger to Cotor UBSs account. Then to Cotor's LGT account. !!!Not Avenger > Cotor LGT!!!"*. The latter part of the instruction was intended to ensure that the Wife did not discover the transfer to Liechtenstein even if she obtained the statements for Avenger. The Liechtenstein Police have identified two transfers between 5 and 7 December 2016 in a total sum of US$971,001. As of 5 December 2016, UBS advised that *"account balance on Avenger and Cotor is 0 as of today"*.

f) The money quickly disappeared from Cotor's account at LGT. It had gone before 4 January 2017. The Wife obtained a freezing order in Liechtenstein against Cotor on 3 January 2017, but LGT informed the court in Liechtenstein that it did not hold any "*attachable assets*" on behalf of Cotor as at 4 January 2017. It appears from the analysis undertaken by the Liechtenstein Police that Cotor had transferred all the funds held by it with LGT to accounts in the name of the Genus Trust at LGT on 1 December 2016.

g) Between June and September 2017, the Genus Trust transferred some of those funds to an account opened in its name at Bendura Bank, which is another Liechtenstein private bank.

49. It was clear that the Husband embarked on a concerted scheme to transfer all the Artwork, Yacht and Monetary Assets into Liechtenstein trusts shortly before the financial remedies hearing in November and December 2016. None of the Respondents advanced a positive case to the contrary. Though a separate trust - the Genus Trust - was used to receive the Monetary Assets, the similarities in the structures used and in the timing of the transfers for these three classes of assets were striking. As soon as the Liechtenstein scheme was in place, the Husband stopped participating in the English proceedings. As long ago as September 2015, his lawyers recorded that *"we can agree with you [that is, the Husband] the moment when we inform [the Wife] and her lawyers that you do not intend to take any further part in these proceedings and let her see the hopelessness of her position"*.

50. The Husband has continued to enjoy the benefit of these assets since their transfer into the Liechtenstein trusts:

a) He has been granted the use of the Yacht whilst paying for its maintenance.

b) Over US$148.7 million of the Monetary Assets had been paid out of the Liechtenstein Trusts to the Husband personally before criminal restraints were placed on the accounts on 5 March 2018. I note that there was also an attempted transfer of US$120 million to the Husband in February 2018 which was, as a judgment of the Liechtenstein Constitutional Court dated 14 May 2019 found, *"obviously also initiated by [the Husband]"*. This transaction was blocked by the Liechtenstein Financial Intelligence Unit ["the FIU"] as a suspicious transaction.

c) Since the criminal restraints were placed on the accounts, further sums totalling over US$445 million have been paid out of the Liechtenstein Trusts to the Husband personally. This was permitted because the criminal restraints only operated up to £350 million and, above that limit, the Liechtenstein Trusts were free to distribute their assets.

51. The trial of the Wife's application for financial remedies took place between 29 November and 5 December 2016. By a judgment dated 15 December 2016, Haddon-Cave J awarded the Wife the sum of £453,567,152. As recorded in paragraph 8 of the judgment, the Husband was in breach of court orders by failing to provide financial information. On 20 December 2016, Haddon-Cave J gave two further judgements by which Qubo 1 and Qubo 2 were joined as the Fourth and Fifth Respondents to these proceedings and judgment was entered against them. The involvement of Qubo 1 and Qubo 2 was only unearthed because Mr Kerman was required to attend for cross examination under compulsion. It was not known at this time that the Yacht had been transferred to Qubo 2, still less that the Monetary Assets had been transferred into the Genus Trust.

52. The Financial Remedies Order giving effect to those judgements is dated 20 December 2016. The Husband and three of his nominee companies (that is, Cotor, Qubo 1 and Qubo 2) were ordered to pay the Wife the sum of £350 million and to transfer certain property, including the Artwork, to her. Further, various transactions were set aside under s.423 IA and/or s.37 MCA, including (a) the transfer of the shares in Sunningdale to the Bermudan Trust, and (b) the transfer of the Artwork from Cotor to Qubo 1.

Further events in 2017

53. Having obtained judgment in this jurisdiction, the Wife immediately commenced proceedings in Liechtenstein. On 28 December 2016, the Princely Court in Liechtenstein granted payment orders against Qubo 1 and Qubo 2 (effectively enforcing the English judgment, subject to opposition by Qubo 1 and Qubo 2, pending objection by the debtors) as well as its own freezing orders. These orders were served on Qubo 1 and Qubo 2 on 29 December 2016. Although the Liechtenstein Constitutional Court has subsequently held that the English judgment against Qubo 1 and Qubo 2 cannot be recognised in Liechtenstein because Qubo 1 and Qubo 2 were not (as it concluded) served with the English proceedings before judgment was entered against them, I observe that (a) the freezing orders have remained in place at all times and (b), after recognition had

been refused, the Wife immediately commenced proceedings on the merits against Qubo 1 and Qubo 2, such that there have been claims on foot against those entities since January 2017.

54. The commencement of proceedings in Liechtenstein provoked further dealings with the assets in Liechtenstein, with the purpose of putting them even further beyond the Wife's reach in circumstances where the Wife had been able to obtain some information about the Liechtenstein structures from Mr Kerman and was beginning to pursue proceedings in Liechtenstein. I note that the Artwork was effectively frozen by the order granted by the Liechtenstein Court on 28 December 2016.

55. In so far as the Yacht was concerned:

a) Dr Schurti met the Husband in Miami on 7 February 2017.

b) Thereafter, Dr Schurti established a new structure to hold the Yacht: on 16 February 2017, he created a new trust, the Navy Blue Trust; and, on 17 February 2017, he created a new establishment (Straight Establishment, "Straight"). This structure effectively mirrored that of Simul Trust and Qubo 2. The Yacht was transferred from Qubo 2 to Straight - and therefore, from the Simul Trust to the Navy Blue Trust - on 8 March 2017. The Navy Blue Trust then resolved to grant the use of the Yacht to the Husband and his family.

c) This was, of course, done at a time when the Counselor/WalPart entities were well aware of the English court's judgment against Qubo 2 and of pending civil proceedings in Liechtenstein against Qubo 2. I accept the Wife's description of these events as a *"blatant attempt at judgment proofing"* in the face of the English court's orders. However, these events also took place with the intention of frustrating the pending proceedings before the Liechtenstein court. As the Liechtenstein court has recently observed in the context of the criminal investigation, the creation of new trust structures *"shortly after the English court decisions and the initiation of the Liechtenstein purity and judicial settlement proceedings"* gave rise to a suspicion that such steps were *"undertaken solely for the purpose of preventing the enforcement of the judicially established claims of [the Wife]"*.

d) Haddon-Cave J concluded that this restructuring was *"part of H's continuing campaign to defeat W by concealing his assets in a web of offshore companies"*. He granted a further order on 21 March 2018, pursuant to which he (a) pierced Straight's corporate veil, (b) declared Straight to be the Husband's alter ego, (c) ordered that the Yacht be transferred to the Wife under s.423 IA, and (d) granted a concurrent order under s.423 IA requiring Straight to pay the judgment debt, up to the current value of the Yacht, to the Wife if the Yacht was not transferred. Needless to say, Straight has not complied with this order.

e) On 26 February 2019, Dr Schurti admitted to the High Court of the Marshall Islands that he acted, in part, *"to shield the Yacht and The Simul Trust … from further efforts to enforce the judgment of the English court…"*. I am not aware of any other purpose which might explain Dr Schurti's actions in 2017.

56. Similar steps were taken in 2017 to put the Monetary Assets further beyond the Wife's reach. The Monetary Assets were subject to multiple transfers, which appear to have been intended to make it difficult for the Wife to identify the whereabouts of those assets and to force her to break through multiple layers of transfers before she could recover funds. For example:

a) On 9 January 2017 - within days of the Wife commencing proceedings in Liechtenstein – the Arbaj Trust was established. As shown on the LGT bank statements and summarised in a report from the Liechtenstein Police, the Genus Trust transferred approximately US$36.6 million, CHF 4 million and £1 million to this trust in a series of transfers from 13 January 2017. Those funds were subsequently distributed back to the Husband.

b) On 16 February 2017, a new trust (the Longlaster Trust) and a new trustee (Sobaldo) were established to take over and shield the Monetary Assets. This was the very same day on which the Navy Blue Trust was established to take over the Yacht in order, by Dr Schurti's own admission, to shield it from enforcement of the English judgment. This did not appear to be some coincidence of timing, but was evidence of a concerted strategy to make it even more difficult for the Wife to recover any of the assets held in the Liechtenstein structures.

c) Sobaldo is another WalPart-related entity which provides trust services. Its registered address is "c/o WalPart Trust Registered" and its directors are Dr Schurti, Dr Ernst Walch and Mr Hanselmann.

d) It was unclear precisely how much was transferred to the Longlaster Trust, but the Lichtenstein FIU reported that it held a balance of US$546,735,165 in its account at Bendura Bank as at 2 March 2018.

e) Yet further trusts were established over the remainder of 2017, most likely to enable distributions to be made from the Longlaster Trust to the Husband or for his benefit (for example, to pay expenses for the Yacht) whilst concealing the existence of the Longlaster Trust. The Ladybird Trust was established on 21 February 2017 and the Carnation Trust was established on 13 October 2017. Counselor was trustee of each of these trusts.

f) The further transfers from the Longlaster Trust to the Ladybird Trust and Carnation Trust have been analysed by the Liechtenstein Police. Approximately US$44 million was transferred into the Ladybird Trust, the overwhelming majority of which was paid out to the Husband personally (to his UBS bank account in Switzerland) or for refurbishment works on the Yacht. There was also a substantial retainer paid to Walch & Schurti, presumably for the costs of defending the structures. Approximately US$68 million was transferred into the Carnation Trust, all of which was transferred to the Husband personally (two accounts at UBS in Switzerland and Pasha Bank in Azerbaijan). An attempt to transfer a further US$120 million via the Carnation Trust to the Husband's account at Alfa-Bank in Russia was blocked by the FIU.

g) Within the Liechtenstein criminal investigation, the Criminal Court has observed in a judgment of 23 December 2019 that the multiple transfers of the Monetary Assets *"within a short period of time… supports the suspicion"* of

fraudulent bankruptcy and, in a judgment of 21 February 2020, that *"the relocation of assets within a short period of time, as can be seen from the FIU reports and the relevant exhibits, supports the suspicion… that these actions are in any case events to be classified and subsumed under the criminal act of fraudulent bankruptcy…"*. The Liechtenstein FIU also observed that the pattern of transactions showed a *"characteristic of money laundering"*. I did not rely upon these observations as findings of fact which bound the Respondents in these proceedings, but I draw the same inference that the transfers outlined above were obviously intended to frustrate enforcement by the Wife.

57. I cannot discern any other plausible reason for these further transfers of the Monetary Assets and the Yacht into new Liechtenstein trusts other than that these were intended to make it harder for the Wife to discover the whereabouts of the assets (even if she was able to discover details about the original structures) and/or to make it more difficult to obtain relief because of the interposition of further layers of transactions between Cotor and the new structures.

58. On 12 May 2017, the Wife lodged a criminal complaint with the Liechtenstein State Prosecutor against the Husband, Cotor, and persons unknown for thwarting enforcement contrary to paragraph 162 of the Liechtenstein Criminal Code ["StGB"]. The State Prosecutor opened judicial investigations before the Liechtenstein court. Since then, the investigation has been extended to the more serious offences of fraudulent bankruptcy contrary to paragraph 156 StGB, and money laundering contrary to paragraph 165 StGB, as well as extended to further suspects including Qubo 1, Dr Schurti and Dr Blasy. The Liechtenstein court has granted various protective measures, including asset freezes and document seizures. As regards Qubo 1, the Wife has been granted private party status pursuant to a judgment dated 21 February 2020, in which the Liechtenstein court concluded that the evidence revealed a suspicion of fraudulent bankruptcy and money laundering, leading to the Wife suffering damage from the non-fulfilment of her claims. Whilst the Liechtenstein State Prosecutor and the Liechtenstein courts (first instance, appellate and constitutional) have all concluded that there is a concrete suspicion that the Liechtenstein structures participated in the crimes of fraudulent bankruptcy and money laundering, the criminal investigation is ongoing, and no suspects have been charged to date.

59. I emphasise that the existence of the criminal investigation and the findings of the Liechtenstein criminal courts cannot be relied upon as evidence in support of the Wife's claims. However, the primary facts - namely the transfer of funds which have been revealed as part of those investigations - can be relied upon within these proceedings.

Summary of the Wife's Claims

60. As outlined above, the Wife contended that assets were transferred by the Husband and his companies in an attempt to prevent her effectively enforcing this court's orders against him. In particular, the claims relate to (i) the cash and securities which were previously held by Cotor at UBS in Switzerland (the Monetary Assets); and (ii) a property located on Solyanka Street in central Moscow (the Moscow Property).

Claims Against Counselor and Sobaldo

61. The Wife's claims relate to the Monetary Assets. As outlined above, the Wife contended that the transfers of the Monetary Assets from Cotor into the Liechtenstein Trusts, and then between the Liechtenstein Trusts, were subject to s.423 IA and/or s.37 MCA.

62. Pursuant to s.423 IA, the Wife contended:

a) The transfers were for no consideration or, in any event, for significantly less than the Monetary Assets were worth.

b) At least one purpose of the transfers was to put the Monetary Assets beyond the Wife's reach, with the relevant intention being that of the Husband because of his role in relation to Cotor and/or because Cotor was his nominee.

c) There was a sufficient connection with the jurisdiction to exercise the powers under s.423 IA, in particular because: (a) the transfers were intended to frustrate an English court judgment; (b) that judgment was granted in English court proceedings to which the Husband had submitted; (c) the intended and only victim of these acts was the Wife, an English resident; and (d) the transfers were substantially arranged and executed from England.

d) The Wife therefore asked me to grant relief: (a) setting aside the transfers of the Monetary Assets; (b) ordering the immediate recipient to return the Monetary Assets to the Wife and/or pay her the value of the Monetary Assets originally received by it; and (c) order each subsequent recipient of some or all of the Monetary Assets, whether directly or indirectly, to pay the Wife the value of the assets received by them.

63. Pursuant to s.37 MCA, the Wife contended in the alternative:

a) The transfer of the Monetary Assets by Cotor (being the "other party" for the purposes of s.37 MCA) was a reviewable disposition because it was not made for valuable consideration and/or because the recipient did not act in good faith and without notice of the relevant intention. The relevant intention was to be presumed pursuant to s.37(5) MCA because the transfer took place less than three years before the Wife's present application was made on 19 July 2019 and had the effect of frustrating or impeding enforcement.

b) The Wife therefore asked me to grant relief: (a) setting aside the transfers of the Monetary Assets; (b) giving directions requiring the immediate recipient of the Monetary Assets to pay the Wife the value of the Monetary Assets originally received by it; and (c) giving directions requiring each respondent who had subsequently received some or all of the Monetary Assets, whether directly or indirectly, to pay the Wife the value of the assets received by them.

64. Counselor and Sobaldo denied the Wife's claims against them. In large part, they did not respond to the allegations made by the Wife on the basis that they said they were prohibited from doing so under Liechtenstein law, particularly in

relation to the various trusts' assets on grounds of their professional secrecy obligations. The Wife denied that this was the case. Subject to that, they:

a) did not plead to the Husband's intention;

b) denied there was a sufficient connection with the jurisdiction to justify the exercise of the court's powers and, further, contended that any such order would have exorbitant extraterritorial effect as they were Liechtenstein entities and the relevant assets were said to be located in Liechtenstein and outside of the jurisdiction;

c) stated that they would be subject to the real risk of prosecution in Liechtenstein if they complied with any order the English court might make, such as to make it oppressive or unreasonable to grant any such order;

d) stated that it would be futile to make an order in circumstances in which any English order could not itself be enforced in Liechtenstein;

e) and it would not, therefore, be just to make any order.

Claims Against Temur and Temur's Counterclaim

65. The Wife's claims against Temur related to both the Monetary Assets and the Moscow Property.

66. As to the Monetary Assets, the Wife's case was that Temur had received substantial sums from the Husband and his companies (including Cotor) totalling at least US$106 million between January 2014 and April 2019, which she said derived from the Monetary Assets. This sum included:

a) US$7.5 million and US$50 million paid by Cotor to Temur on 4 May 2015 and 25 August 2015 respectively;

b) two payments of US$5 million each by Cotor to Temur (in one case via Avenger) on 17 May 2016 and 8 June 2016 respectively; and

c) numerous payments from the Husband to Temur from 2 December 2016 until 2020.

67. The Wife stated that she was entitled to relief in respect of those transfers pursuant to s.423 IA and/or s.37 MCA. As regards the payments from Cotor to Temur, the Wife contended that the (or a) purpose of the transfers was to put part of the Monetary Assets beyond her reach. As regards the later payments from the Husband to Temur, the Wife contended that it was to be inferred that the sums derived (directly or indirectly) from the Monetary Assets transferred into the Liechtenstein trusts and that, accordingly, she was entitled to relief against Temur for essentially the same reasons that she said she was entitled to relief against Counselor and Sobaldo in respect of the subsequent transfers of the Monetary Assets.

68. Temur admitted that he received those sums from the Husband and his companies, together with *"generalised financial provision"*, although (save in

respect of the payments from Cotor/Avenger) he did not admit the provenance of those funds. Temur also admitted that he gave no consideration for such payments. As to the purpose of such transfers, Temur contended that the Husband had agreed with him in late 2013 that he would make available funds for Temur to invest in the financial markets for Temur's own benefit. That was defined as the *"Investment Purpose"* and Temur said that all the sums he received from the Husband and his companies were for that purpose. The Wife denied that there was such a purpose and contended that, in any event, at least one of the Husband's purposes for the transfers was to put the Monetary Assets outside of her reach.

69. As to the Moscow Property, the Wife stated that the Husband (through a Cypriot company referred to as "Sunningdale") transferred the benefit of the Moscow Property to Temur in 2018 (by transferring the shares in a Russian holding company called "Solyanka Servis" to Temur) as part of his scheme to defeat her entitlements. She contended that she was entitled to relief in respect of that transfer pursuant to s.423 IA because this transaction took place at an undervalue (because Temur did not pay anything for the shares and/or they were in any event worth significantly more than the alleged purchase price of RUB 50 million) and for the purpose of putting the value of the Moscow Property beyond her reach.

70. Temur admitted that he received the legal title to the Solyanka Servis shares and did not pay for them. However, he contended that there was a purchase agreement for the Solyanka Servis shares pursuant to which he was required to pay RUB 50 million. Temur contended that he did not become the beneficial owner of the Moscow Property because he did not pay the purchase price under the alleged purchase agreement, which was said to be *"forfeited"*. He also said that he agreed to terminate that agreement and that proceedings were commenced against him in the Moscow courts by Sunningdale for the return of the Solyanka Servis shares, which he did not intend to defend (and had, in the event, compromised by entering into an agreement to return the shares).

71. The Wife stated that, as a matter of Russian law, Temur did become the beneficial owner of the Moscow Property irrespective of whether he paid the alleged purchase price. She also contended that the proceedings against Temur in Moscow were a contrivance designed to allow him to transfer the benefit of the Moscow Property out of his ownership after the present claims were brought against him. In any event, those proceedings were now defunct as a result of Temur's transfer of the Solyanka Servis shares to Sunningdale in around May 2020.

72. The Wife had originally sought orders requiring Temur to: (a) transfer to her the shares in Solyanka Servis, through which Temur held his interest in the Moscow Property; alternatively (b) that he pay to her the value of the Moscow Property (or the value of the shares in Solyanka Servis). However, in around May 2020, Temur transferred the Solyanka Servis shares to Sunningdale. He says this was done to compromise a claim against him, while the Wife says that it was a dissipation of assets designed to defeat her entitlements. The Solyanka Servis shares were subsequently transferred to the Husband in around June 2020. In the circumstances, the Wife pursued her alternative claim for an order that Temur pay her the value of the Moscow Property.

73. Temur brought two counterclaims against the Wife. The first was for alleged *"unlawful maintenance of proceedings"* and was struck out by my order dated 19 June 2020 (see Akhmedova v Akhmedov & Ors (Litigation Funding) (Rev 1) [2020] EWHC 1526 (Fam)). The Court of Appeal refused Temur permission to appeal against that order. The second counterclaim, which remained extant, was for alleged misuse of private and/or confidential information relating to Temur. This counterclaim related to some of the documents provided to the Wife by Ross Henderson. The Wife denied Temur's counterclaim, principally on the basis that Temur had no reasonable expectation of privacy in the documents and that she owed him no duty of confidence (both on grounds of iniquity and because the relevant documents were now treated as having been disclosed to her by the Husband).

Claims Against Borderedge

74. Borderedge was joined to these proceedings by my order dated 4 September 2020. The Wife's claims against Borderedge relate to part of the Monetary Assets. It was common ground that Borderedge received a sum of €27,500,021.38 from a Liechtenstein trust called the Genus Trust (of which Counselor is the trustee) in November 2016 [the "Borderedge Transfer"].

75. The Wife says that this sum derived from the Monetary Assets and was first transferred by Cotor to the Genus Trust. Her primary claim was that the initial transfer from Cotor to the Genus Trust was subject to s.423 IA and/or s.37 MCA (as outlined above in relation to the claims against Counselor and Sobaldo). The Wife was therefore entitled to relief against Borderedge because it was a subsequent transferee of part of the funds received by the Genus Trust, in circumstances where Borderedge was not a bona fide purchaser for value. Her alternative claim was that the transfer from Cotor to the Genus Trust and on to Borderedge was part of a single *"transaction"* falling within s.423 IA and/or s.37 MCA because it was part of a scheme to strip all the assets out of Cotor.

76. Borderedge did not admit the provenance of the funds comprising the Borderedge Transfer, nor did it admit either Cotor's or the Genus Trust's purpose in making that transfer. It contended that the Borderedge Transfer was made for good consideration pursuant to the terms of a loan agreement between the Genus Trust and Borderedge concluded in November 2016 and in consideration of Borderedge becoming party to a security arrangement with UBS Switzerland. Borderedge said that the transfer itself was in good faith and without notice of any intention to defeat the Wife's entitlements. Borderedge also contended that it would be oppressive and unreasonable for the court to grant a remedy against it as it had changed its position since receiving the Borderedge Transfer. The Wife disputed these defences.

The Law

The Insolvency Act 1986: Generally

77. Section 423 IA provides the court with broad powers to grant remedies where a *"person"* has entered into a *"transaction"* at an *"undervalue"* (s.423(1)) for the purpose of putting assets beyond the reach of a person who is making, or may at some time, make a claim against him, or of otherwise prejudicing the interests of such a person in relation to the claim which he is making or may make (s.423(3)). Section 423 states, where relevant, as follows:

"423(1) This section relates to transactions entered into at an undervalue; and a person enters into such a transaction with another person if –

a) he makes a gift to the other person or he otherwise enters into a transaction with the other on terms that provide for him to receive no consideration;

b) he enters into a transaction with the other in consideration of marriage or formation of a civil partnership; or

c) he enters into a transaction with the other for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by himself.

(2) Where a person has entered into such a transaction, the court may, if satisfied under the next subsection, make such order as it thinks fit for –

a) restoring the position to what it would have been if the transaction had not been entered into, and

b) protecting the interests of persons who are victims of the transaction.

(3) In the case of a person entering into such a transaction, an order shall only be made if the court is satisfied that it was entered into by him for the purpose –

a) of putting assets beyond the reach of a person who is making, or may at some time make, a claim against him, or

b) of otherwise prejudicing the interests of such a person in relation to the claim which he is making or may make.

(4) …

(5) In relation to a transaction at an undervalue, references here and below to evict him of the transaction are to a person who is, or is capable of being, prejudiced by it; and in the following two sections the person entering into the transaction is referred to as "the debtor".

78. An analysis of the relevant principles is set out in [102]-[107] of Haddon-Cave J's judgment of 15 December 2016 (AAZ v BBZ & Ors [2016] 3234 (Fam)) and also in [2]-[16] of the judgment of Sales J (as he then was) in 4Eng Ltd v Harper [2009] EWHC 2633 (Ch). I have also found the judgment of Flaux J (as he then was) in Fortress Value Recovery Fund I LLC v Blue Skye Special Opportunities Fund L.P. [2013] EWHC 14 (Comm) helpful (see [103]-[117]).

79. There are four requirements for relief to be granted: (1) a debtor; (2) who enters into a transaction; (3) at an undervalue; (4) with the purpose of putting assets beyond the reach of or prejudicing the interests of a person with an actual or potential claim. The concept of a *"transaction"* is to be construed broadly. In particular, it does not matter that the relevant transfers were made by a company owned by the judgment debtor rather than by the judgment debtor himself.

80. It is necessary for the Wife to show that the prohibited purpose was a purpose of the transaction; it is not necessary for it to be the sole or dominant purpose. In Inland Revenue Commissioners v Hashmi [2002] EWCA Civ 981, the Court of Appeal held that, in order for a claimant to demonstrate that the debtor had the requisite statutory purpose of defrauding creditors as set out in s.423(3), it was not necessary to establish that such was his sole or dominant purpose and it was sufficient for the claimant to establish that such was a substantial purpose and, in this respect, two or more purposes may coexist (see [23]-[25] per Arden LJ). The description of the requisite purpose as a *"substantial"* purpose was not essential to the decision in Hashmi and the Court of Appeal in JSC BTA Bank v Ablyazov [2018] EWCA Civ 116 at [8]-[16] held that the use of the word *"substantial"* introduced an additional requirement which made the test in s.423(3) stricter than Parliament had intended given that the word itself was not found in s.423. Thus, it was sufficient simply to ask whether the transaction was entered into by the debtor for the prohibited purpose. If it was, then the transaction fell within s. 423(3), even if it was also entered into for one or more other purposes. As Leggatt LJ said in [14] of Ablyazov, *"the test is no more complicated than that"*.

81. It is also unnecessary to demonstrate that the transfer would not have been made but for the improper purpose. However, it is not enough that the transaction merely had the consequence of putting assets of the debtor beyond the reach of creditors if that was not a purpose of the transaction (see Ablyazov at [15]).

82. As Hashmi and Ablyazov show, it is perfectly possible for a person genuinely to desire to benefit a third party (for example, a family member) but also to act with the prohibited purpose. In Hashmi, the judge found that a father had transferred his business to his son for the purpose of securing his son's future. However, the father knew that he had been defrauding the Inland Revenue and that, should his dishonesty have been discovered, he would have become liable to pay a substantial sum to the Revenue. The judge concluded that, notwithstanding the father's genuine desire to provide for his child, the prohibited purpose was the dominant one because the father could not be sure, given the risky way in which his tax affairs were conducted, that he would be able to provide for his son later on.

83. Intention is ultimately a matter of fact, taking into account all the relevant circumstances of the particular case. As Leggatt LJ observed in [16] of Ablyazov:

> *"16. When judging a person's intentions, we are generally more inclined to accept that an action was not done for the purpose of bringing about a particular consequence, even if the consequence was foreseen, if there is reason to believe that the consequence was something which the actor wished to avoid or at least had no wish to bring about…. By contrast, a consequence is more likely to be perceived as positively intended if there is*

reason to think that it is something which the actor desired. Thus, evidence that a person who has entered into a transaction at an undervalue foresaw that the result would be to put assets out of reach of creditors and desired that result might lead the court to infer that the transaction was entered into for that purpose. But such a conclusion is not a logical or legal necessity. It is a judgment which has to be based on an evaluation of all the relevant factors of the particular case."

84. Once s.423 is engaged, the court has a very wide discretion to grant whatever order it thinks fit for restoring the position and protecting the interests of victims under ss 423(2) and 425. Section 425(1) contains an extensive, non-exhaustive list of the wide range of orders which may be made once the trigger conditions defined in the statute have been satisfied. The court's power extends to granting relief against subsequent transferees, including those who have subsequently received the property (including money) which was the subject of the transaction at an undervalue (whether or not they continue to hold it or have sold it) and those who have otherwise received a benefit from the transaction.

85. However, a person who receives the benefit from a transaction *"in good faith, for value and without notice of the relevant circumstances"* cannot be required to pay any sum unless he or she was a party to the transaction (s.425(2)(b)).

86. The fact that a respondent no longer holds the assets which were received as part of the transaction or has changed position because it received those assets does not provide any defence to a claim under s.423. Those matters may be relevant however to fashioning the relief to be granted. In that regard, the mental state of the respondent and the degree of their involvement in the scheme will be relevant factors (see 4Eng at [13]). The reasons are obvious: if a recipient further dissipates assets as part of a joint scheme to put them beyond the reach of the judgment creditor, the recipient cannot rely on his own further wrongdoing to excuse him from having to restore the victim's position; and, equally, if a person chooses to engage in risky ventures with assets which they know have been improperly transferred away by the debtor, they do so at their own risk and not at the victim's risk.

87. In choosing what relief is appropriate in a given case, a great deal will depend upon the particular facts. One of the reasons the court is given such a wide jurisdiction as to remedy is to allow it flexibility in fashioning relief which is carefully tailored to the justice of the particular case (see 4Eng [16]). This may be because, by the time the court has to take action, events will have moved on from the transfer and the balance of the equities between creditors and transferee may well have been affected by changes in circumstances over time.

88. S. 423 has extraterritorial effect and can be exercised notwithstanding that the respondents and/or assets are located outside England. However, the court will only exercise its power where there is a sufficient connection to the jurisdiction, a question to be decided by reference to all the facts and circumstances. Haddon-Cave J concluded in his judgment of 19 April 2018 (Akhmedova v Akhmedov (No 1) [2018] EWFC 23) (in respect of the transfer of other assets to Liechtenstein) that *"sufficient connection is established in this case by the fact that the transfers were deliberately effected to evade an English claim brought by*

the spouse of the transferor who was resident in England" (at [78]). Only Counselor and Sobaldo contended that the court should not grant relief if the Wife otherwise proved her claim. I deal with their submissions elsewhere in this judgment.

The Insolvency Act 1986: The Gateway Submission

89. During closing submissions, Mr Levy QC on behalf of Temur sought to persuade me that there was a *"gateway"* condition before relief pursuant to s.423 could be granted. The essence of that submission was that the test for the grant of relief could not be satisfied in a situation where, after the impugned transaction, the debtor was left with sufficient assets to meet the liability owed to the victim. In support of that submission, Mr Levy QC relied, in particular, upon the judgment of Rose J in BTI 2014 LLC v Sequana SA and Others [2016] EWHC 1686 (Ch), and specifically paragraph 517 which reads as follows:

> *"After some hesitation I have concluded that the claimants are right on this point. Section 423 does not distinguish between companies and individuals. The first limb of the s 423 purpose - putting assets beyond the reach of a person who is making or may at some time make a claim against him - has inherent in it the assumption that following the transaction, the person does not have sufficient funds remaining with him to satisfy the actual or potential claim made against him. If a person or a company has plenty of assets left with which to meet the claim, then however many additional assets are gifted to people, he or it cannot have the s 423 purpose. This must be inherent in the wording of section 423(3)(a) and is confirmed by the second limb which refers to action "otherwise prejudicing the interests of" the claimant, implying that the transaction in the first limb must prejudice those interests too."*

Sequana was appealed to the Court of Appeal but the appeal was dismissed, the Court of Appeal making no comment on the above paragraph.

90. Mr Levy QC submitted that, in the majority of reported cases (a number of which he referred me to in order to illustrate the point), the debtor was facing financial wipeout or was engaged in a course of conduct so as to diminish his assets to the point where he would be left with less than the claim was worth. However, if the debtor had a sufficiency of assets, then the claim would fail on the analysis of s.423(3)(a) set out in paragraph 517 of Sequana. Mr Levy QC submitted that the foundation of Rose J's analysis lay in the judgment of Arden LJ (as she then was) in Hashmi.

91. In paragraphs 12 and 13 of Hashmi, Arden LJ stated as follows:

> *"[12] I turn now to the appellant submissions. Mr Cadwallader, who appears for the appellant, submits that there was insufficient evidence on which the judge could find that Mr Ghauri was likely to be left with insufficient funds to discharge his tax liabilities. He also submits that it was necessary to find that Mr Ghauri thought about defrauding the Revenue positively. I can deal with that last point briefly. As I see it, it is sufficient if the court can draw the necessary inference as to the statutory purpose.*

[13] Mr Cadwallader submits that the evidence about assets was not comprehensive. I can deal with this point too at this stage. The answer to this point is that the judge had to do the best he could with the evidence available. It is accepted that Mr Ghauri's assets included Shadwell Road and the bank accounts, but Mr Cadwallader says that the judge did not take into account the ongoing profit; that he clearly did so because he refers to the sums admitted in respect of under-declared profits in the period 1983 to 1989. On the liability side, it is accepted that the tax liabilities were £86.000-odd at the date of the declaration of trust, to which there would have to be added penalties and interest, although we are told that the amount of penalties is a discretionary matter. Mr Cadwallader argues that the judge should have taken into account the lease of the property. He accepts, however, that the lease may have been merged into the freehold after it was acquired and that the judge was entitled to take that view. Certainly no rent was paid by Mr Ghauri after the date of the purchase. Mr Cadwallader also submits that the judge failed to take into account the value of the business. But the judge did take into account the prospect of future profits with, of course, their concomitant tax liabilities. It would be double counting if the judge also took into account the goodwill of the business. Mr Cadwallader submits that the judge should have taken into account 104 Burley Road, but in 1994 this was Karim's property and the evidence did not show that Mr Ghauri had owned it in 1997."

Mr Levy QC submitted that Arden LJ addressed Mr Cadwallader's argument about an insufficiency of evidence as to Mr Ghauri being left with insufficient assets. She did so, not by saying that this was irrelevant, but by addressing the facts underlying that submission and determining that the trial judge had been entitled to reach the conclusion that he had. Mr Levy QC submitted that, had Mr Cadwallader's submission been wrong in law, Arden LJ would have said so. Equally, he submitted that, had that submission been factually correct, it would have been legally significant. Thus, he rooted Rose J's analysis in Sequana in the manner in which Arden LJ dealt with a case on appeal, which was posited on the first instance court being wrong in concluding s.423(3) was made out when the debtor had sufficient assets to meet the claim against him.

92. Finally, Mr Levy QC drew my attention to the statutory heading preceding s.423, namely **"Transactions Defrauding Creditors"**, and said there could be no defrauding if the debtor was left with a sufficiency of assets to meet the claim against him. He invited me to apply the analysis of Rose J in paragraph 517 of Sequana in the interests of judicial comity and the deployment of judicial resources unless I was convinced that Rose J was wrong or, in the words of Lord Neuberger in paragraph 9 of Willers v Joyce [2018] AC 483, unless there was a *"powerful reason"* for not doing so.

93. Mr Levy QC also sought to persuade me that the same principle applied to relief granted pursuant to s.37 MCA. I deal with that later in this judgment. Finally, I note that both Mr Brodie QC and Ms Hitchens allied themselves with Mr Levy QC's submissions on this matter of law.

94. By contrast, Mr Gourgey QC submitted that the interpretation contended for by Mr Levy QC was (a) contrary to the clear wording of s.423 and its purpose; (b)

contrary to binding precedent; and (c) not supported by either the decision in Sequana or Hashmi relied on by Mr Levy QC.

95. First, s.423(1) sets out an objective requirement, namely that there is a transaction entered into at an undervalue or a gift. S.423(3) posits a subjective requirement which needs to be satisfied, namely that the transaction was for a purpose to put assets beyond a claimant's reach or otherwise prejudice a claimant's interests. The interpretation of s.423 does not permit the reading-in of a condition such as that contended for by Mr Levy QC. Further, a subjective requirement as to purpose cannot carry with it an objective assessment as to whether the transaction left the debtor solvent and capable of meeting the victim's claim. Not only was Mr Levy QC's interpretation contrary to the statutory wording but it was also contrary to the purpose of the statute.

96. Mr Gourgey QC submitted that the authorities made clear that s.423 is drafted in broad terms with a degree of inbuilt elasticity. In the words of the Court of Appeal in BAT Industries plc v Sequana SA [2019] EWCA Civ 112, section 423 is *"a wide-ranging provision designed to protect actual and potential creditors where a debtor takes steps falling within the section for the purpose of putting assets beyond their reach or otherwise prejudicing their interests"* (at [29]). Applying a hard-edged balance sheet test, as the Respondents proposed, would deprive that section of its flexibility, and create gaps in which the court would be powerless to remedy action which it had found was intended to prejudice the interests of creditors and where it had found that the victim was either prejudiced or capable of being prejudiced.

97. To illustrate his submission, Mr Gourgey QC gave the following examples. First, D (the debtor) has assets of £10 million and owes C (the creditor) £5 million. With the intention of prejudicing his creditors, D decides to transfer all his assets away. Thus, on Monday morning, D transfers £5 million to his wife and, on Monday afternoon, D transfers £5 million into an offshore trust. On the interpretation of s.423 contended for by Mr Levy QC, the court would be unable to set aside the transaction entered into on Monday morning because, even though D had the relevant purpose, he still had sufficient assets after that transfer. This would be the case, even if it were impossible to set aside the offshore trust under the governing law. Such a conclusion would be illogical and contrary to the purpose of the statute. Second, D holds £5 million in an English bank account and £5 million in a bank account in a foreign country where enforcement is impossible. To ensure that C, the creditor, cannot enforce its liability, D transfers £5 million from the English bank account into a discretionary trust. On the approach contended for by Mr Levy QC, that transfer would not be caught by s.423 even if D had the necessary subjective purpose, because D still held sufficient assets abroad after the transaction. Mr Gourgey QC submitted that this conclusion was illogical and contrary to the purpose of statute, as the transfer of monies into a discretionary trust was made with the prohibited subjective purpose and, therefore, should be capable of being set aside.

98. Mr Gourgey QC's second contention was that Mr Levy QC's submission was contrary to binding precedent. In Hill v Spread Trustee Co Ltd [2008] EWCA Civ 542, Arden LJ stated that the scheme of s.423 was unusual (at [101]). In that

paragraph, she considered each subsection one after the other with a commentary on what those subsections provide. With respect to s.423(2) she said:

"[101]… Section 423(2) in conjunction with the definition of victim in section 423(5) makes prejudice or potential prejudice a condition for obtaining relief. That prejudice does not have to be achieved by the purpose with which the transaction was entered into. Nor in my judgment does the purpose have to be one which by itself is capable of achieving prejudice. What subsection (3) requires is that the purpose should be one which is to prejudice "the interests" of a claimant or prospective claimant. The "interests" of a person are wider than his rights…".

In [102], Arden LJ stated as follows:

"[102] The next question is whether a person can be said to have the necessary purpose if he is completely mistaken as to whether entry into the transaction can have the effect of prejudicing a person's interests. This question assumes a rather exceptional state of affairs where a person has the necessary purpose of putting assets beyond the reach of his creditors and wrongly thinks that if he enters into a transaction at an undervalue (e.g. gifts property to his wife) his creditor, B, will be prejudiced. If unbeknown to him his wife has agreed to pay the money is transferred to her to B, the purpose that he had in mind will not be achieved. If the creditor takes the benefit of the transaction solely for himself and refuses to share it out with other creditors, they will be persons who (arguably at least) are prejudiced by the transaction and can constitute victims within section 425(5). Another situation that might occur is where the debtor enters into a transaction knowing that his entry into that transaction, together with the happening of some other event, will prejudice a creditor. I consider that the court does not have to consider the relative causal effect of the two matters. If the transaction is entered into with the requisite purpose, the fact that some other event needs to occur does not mean that the transaction cannot itself be within section 423(3). I consider that this is what the judge meant by his test of whether the transaction was an essential part of the purpose (in which connection he applied his analogy with petrol and matches for a fire). I therefore do not accept Miss Newman's submission that it is necessary to approach section 423 as if a test of causation were to be applied. The right approach in my judgment is to apply the statutory wording. It is enough if the transaction sought to be impugned was entered into with the requisite purpose. It is entry into the transaction, not the transaction itself, which has to have the necessary purpose."

99. In reliance on those passages, Mr Gourgey QC submitted that, first, there was no requirement to prove that the transaction had in effect prevented enforcement. That proposition was inconsistent with Mr Levy QC's submission that it was necessary for the court to assess whether the transaction in fact left the debtor with insufficient assets to meet his liabilities. Second, the proper approach was simply to apply the words of the statute, by asking whether the debtor had the prohibited purpose when entering into the transaction. Third, contrary to Mr Levy QC's submission, a debtor can subjectively have the prohibited purpose even if it were impossible for the transaction actually to achieve that purpose. Fourth, a person can have a prohibited purpose if, taking the relevant transaction with the

happening of some other event, the creditor will be prejudiced. A debtor can therefore have the prohibited purpose in circumstances where he makes a transfer of some of his assets which does not, in and of itself, render him unable to pay his debts, but in the expectation that he will transfer his other assets subsequently, such that taken together, those steps will defeat his creditors.

100. Mr Gourgey QC observed that, in paragraph 512 of Sequana at first instance, Rose J quoted from paragraph 102 of Hill v Spread Trustee to underline her approach to s.423, namely that it was enough if the impugned transaction was entered into with the s.423 purpose and that the impugned transaction did not have to achieve that purpose by itself.

101. Furthermore, the Court of Appeal in Ablyazov emphasised that *"…it is sufficient simply to ask whether the transaction was entered into by the debtor for the prohibited purpose. If it was, then the transaction falls within section 423(3), even if it was also entered into for one or more other purposes. The test is no more complicated than that."* (at [14]). Thus, the court must concern itself with whether the statutory purpose, a subjective requirement, was satisfied. If it was, that was the end of the matter. Mr Gourgey QC submitted that this ran directly contrary to the submission made by Mr Levy QC.

102. Third, Mr Gourgey QC submitted that Mr Levy QC's argument was contrary to both the decision of the Court of Appeal in Hashmi and the first instance decision of Rose J in Sequana. In Hashmi, the challenge on appeal was a challenge to findings of fact and not a challenge on the law. There was no legal argument that there was a defence of law because the gateway posited by Mr Levy QC had not been satisfied. There was no basis for suggesting that Arden LJ was tacitly considering, let alone deciding, that there was some additional statutory precondition, namely that a claimant must prove that the debtor had insufficient assets following the transaction. The Court of Appeal was simply considering whether the factual case was supported by the evidence. Likewise, the relevant passage in Sequana relied on by Mr Levy QC was taken from a section of the judgment in which Rose LJ was considering whether the s.423 purpose was satisfied. In [516], Rose LJ stated the following:

> *"The Claimants rely on the very particular circumstances of this case. AWA was a non-trading company and a wholly-owned subsidiary. Its only function was a containment vehicle for the Fox River liability. There is clear evidence that the purpose of the declaration of the May Dividend and the sale of AWA to TMW clearly was to remove from Sequana the risk that the Maris Policy plus the insurance proceeds might not be enough to meet the indemnity. Such evidence of the subjective intention of those in control of the company when making the decision to pay the dividend will distinguish this case from other cases where directors declared dividends for their shareholders for the usual reasons for which dividends are paid, without turning their minds to whether this leaves enough money for potential creditors. Here there is no doubt that the subjective intention of the directors at the time of the May Dividend and the sale was to prevent AWA having any legal or moral call upon its parent company to meet its creditors' claims. After the declaration of the dividend and the sale to TMW, the creditors were prejudiced because the assets of AWA had been depleted and it no longer had any call on Sequana to that extent."*

In this passage, Rose J was recording the claimant's argument about subjective intention. It is in that context that [517] was stated. Paragraph 517 dealt with subjective purpose and Rose J explained that if, a person had an intention to move assets beyond their creditors but did not intend to prejudice them, that person did not have the requisite intent for the purpose of s.423 because it was implicit within s.423 that the intention was to prejudice creditors. Mr Gourgey QC submitted that all Rose J was emphasising was the necessity of having an intention to prejudice creditors or future creditors. Her words went no further than that.

103. Having carefully considered the submissions made by Mr Levy QC and Mr Gourgey QC, I concluded that Mr Levy QC's submission is misconceived. First, it required me to read into s.423 a gateway condition which was absent from the plain wording of statute. I would need considerable persuasion to do so in circumstances where, in a different context, binding authority in the Court of Appeal had deprecated the reading into s.423 of additional words such as *"substantial"*. Second, Mr Levy QC's gateway condition would have the effect of prejudicing creditors' interests in circumstances where the debtor's purpose was entirely consistent with s.423(3). The examples given by Mr Gourgey QC illustrated that anomaly quite clearly. Third, for the reasons articulated by Mr Gourgey QC, Mr Levy QC's argument took a paragraph of Sequana out of context and relied upon an interpretation of Arden LJ's words in Hashmi which was at odds with other binding authority.

104. Therefore, I reject Mr Levy QC's submission that, to obtain the relief contemplated by s.425, a claimant must prove that the debtor has insufficient assets following the impugned transaction.

Section 37 of the Matrimonial Causes Act 1973

105. During closing submissions, I observed that the parties' submissions on s.37 were insufficiently detailed and directed that each party may - but was not obliged to - address the law and case law by filing an additional written submission no later than 11 January 2021. I received additional written submissions from Mr Brodie QC, Mr Levy QC and from Mr Gourgey QC.

106. Section 37 shares many features in common with s.423 IA, although it operates only in the narrower field of transactions intended to defeat or reduce claims for financial relief following marital breakdown. It expressly includes *"frustrating or impeding the enforcement of any order which might be or has been made"*. It addresses several different scenarios, including both (a) restraining a contemplated disposition and (b) setting aside a completed disposition before or after financial relief has been granted. In this case, the focus was on setting aside a disposition after financial relief had been granted pursuant to s. 37(2)(a).

107. Section 37 is preceded by the heading *"Avoidance of transactions intended to prevent or reduce financial relief"* and reads as follows:

"(1) For the purposes of this section "financial relief" means relief under any of the provisions of sections 22, 23, 24, 24B, 27, 31 (except subsection (6)) and 35 above, and any reference in this section to defeating a person's claim for

financial relief is a reference to preventing financial relief from being granted to that person, or to that person for the benefit of a child of the family, or reducing the amount of any financial relief which might be so granted, or frustrating or impeding the enforcement of any order which might be or has been made at his instance under any of those provisions.

(2) Where proceedings for financial relief are brought by one person against another, the court may, on the application of the first-mentioned person –

a) if it is satisfied that the other party to the proceedings is, with the intention of defeating the claim for financial relief, about to make any disposition or to transfer out of the jurisdiction or otherwise deal with any property, make such order as it thinks fit for restraining the other party from so doing or otherwise for protecting the claim;

b) if it is satisfied that the other party has, with that intention, made a reviewable disposition and that if the disposition were set aside financial relief or different financial relief would be granted to the applicant, make an order setting aside the disposition;

c) if it is satisfied, in a case where an order has been obtained under any of the provisions mentioned in subsection (1) above by the applicant against the other party, that the other party has, with that intention, made a reviewable disposition, make an order setting aside the disposition;

and an application for the purposes of paragraph (b) above shall be made in the proceedings for the financial relief in question.

(3) where the court makes an order under subsection (2)(b) or (c) above setting aside a disposition it shall give such consequential directions as it thinks fit for giving effect to the order (including directions requiring the making of any payments or the disposal of any property).

(4) Any disposition made by the other party to the proceedings for financial relief in question (whether before or after the commencement of those proceedings) ***as is*** *reviewable disposition for the purposes of subsection (2)(b) and (c) above unless it was made for valuable consideration (other than marriage) to a person who, at the time of the disposition, acted in relation to it in good faith and without notice of any intention on the part of the other party to defeat the applicant's claim for financial relief.*

(5) Where an application is made under this section with respect to a disposition which took place less than three years before the date of the application or with respect to a disposition or other dealing with property which is about to take place and the court is satisfied –

a) in a case falling within subsection (2)(a) or (b) above, that the disposition or other dealing would (apart from this section) have the consequence, or

b) in a case falling within subsection (2)(c) above, that the disposition has had the consequence,

of defeating the applicant's claim for financial relief, it shall be presumed, unless the contrary is shown that the person who disposed of or is about to dispose of or deal with the property did so or, as the case may be, is about to do so, with the intention of defeating the applicant's claim for financial relief.

(6) In this section "disposition" does not include any provision contained in a will or codicil but, with that exception, includes any conveyance, assurance or gift of property of any description, whether made by instrument or otherwise.

(7) This section does not apply to a disposition made before 1st January 1968."

I have highlighted two words in s.37(4) which I suggest are an error by the parliamentary draughtsman since they render the rest of the section a little confusing. They should be substituted by the words "is a" which makes the meaning of s.37(4) crystal clear. That there is an error is demonstrated by the use of the correct word in s. 23(6) of the Matrimonial and Family Proceedings Act 1984, which is the counterpart provision in respect of a financial remedy claim following an overseas divorce proceeding under Part III of that Act.

108. The essential conditions for the operation of s.37 after financial relief has been granted were summarised by Mostyn J in Kremen v Agrest and Fishman [2011] 2 FLR 478 (a Part III case), as incorporated by Haddon-Cave J into his December 2016 judgment at [96], as follows:

"[9] For W's application to succeed the following has to be demonstrated:

(i) That the execution of the [disposition] was done by H with the intention of defeating her claim for financial relief. This is presumed against H, and he has to show that he did not bear that intention… The motive does not have to be the dominant motive in the transaction; if it is a subsidiary (but material) motive then that will suffice…

(ii) That the execution of the [disposition] had the consequence of defeating her claim. This means preventing relief being granted, or reducing the amount of any such relief, or frustrating or impeding the enforcement of any order awarding such relief…

(iii) That the court should exercise its discretion to set aside the [disposition].

(iv) However, … there is an exception to the general rule that all dispositions are liable to be set aside. The disposition in favour of [the recipient] will not be set aside if it can be shown at the time it was made that,

a) it was done for valuable consideration; and

b) [the recipient] acted in relation to it in good faith; and

c) [the recipient] was without notice of any intention on the part of H to defeat W's claim for financial relief.

[10] The knowledge of [the recipient] referred to in paragraph [9](4)(c) above is not confined to actual knowledge but extends to constructive knowledge…

[11] Although there is a formal legal burden on W to demonstrate the negative of the matters referred to in paragraph [9](iv) above, I take the view that for obvious reasons (having to prove a negative; lack of knowledge) there is an evidential burden shifted to LF to establish this exception. If he does not establish all three limbs of the exception, then the defence will not arise."

In this case, the presumption pursuant to s.37(5) did not arise.

109. As regards the transferor's intention, s.37(2)(c) applies where the transferor has acted with the intention to defeat the claim for financial relief. This includes frustrating or impeding the enforcement of any order which has been made under the relevant provisions (s.37(1)). Thus, s.37 does not apply only where a disposition has reduced the transferor's remaining assets below the amount awarded. The use of the words, *"frustrate"* and *"impede*" is intended to capture not only dispositions which make enforcement impossible but also dispositions which make it slower or more difficult to enforce.

110. *"Intention"* for the purpose of s.37 is subjective (see 1315H of Kemmis v Kemmis [1988] 1 WLR 1307). It is the transferor's state of mind which requires investigation by the court, not the consequence of his acts. In those circumstances, the court is necessarily thrown back on inference as it will be a rare case where the spouse declares his state of mind in advance. In determining whether a spouse has the requisite state of mind, the court may have regard to the natural consequences of his act. The natural consequence of the disposition would certainly be a factor to be taken into account in deciding whether or not to draw the inference of intention in any given case (1326E, Kemmis). Finally, it is clear that the intention of the transferor does not have to be his sole or dominant intention, but it is enough if it played a substantial part in his intentions as a whole (1331A, Kemmis).

111. There is no requirement under s.37 for the applicant to demonstrate that the transfer was at an undervalue unlike s.423 IA. However, a disposition will not be *"reviewable"* if it was made for valuable consideration and the recipient acted both in good faith and without notice. In this regard: (a) a person can act without good faith even if they do not have actual notice (1316D, Kemmis); and (2) notice includes constructive notice, that is, knowing something which ought to have put the recipient on further enquiry or wilfully abstaining from enquiry to avoid notice (1317E-1318A, Kemmis).

112. S.423 IA and s.37 MCA contain broadly similar but not identical statutory conditions but there are significant differences between them. This is a product of their entirely different origins: s.37 is a *"bespoke divorce statutory alternative"* (AC v DC (Financial Remedy: Effect of s.37 Avoidance Order) [2021] EWHC 2032 (Fam) at [16]) which can be traced back to s.2 of the Matrimonial Causes (Property and Maintenance) Act 1958 whereas s.423 is the product of The Cork Report which introduced in 1985 an entirely new statutory scheme for transactions defrauding creditors (Hashmi at [21]).

113. It is useful to identify the differences between s.423 IA and s.37 MCA:

a) S.423 is of general application whereas s.37 MCA only applies where proceedings have been brought under certain sections of the 1973 Act and the disposition is intended to defeat that claim.

b) S.37 MCA reverses the burden of proving intention in certain circumstances.

c) For s.423 to apply, there must be a transaction at an undervalue. Thus, the transferor must either receive no consideration or the consideration received by the debtor must be worth significantly less than the consideration which the debtor has provided. S.37 MCA does not require that the relevant disposition took place at an undervalue, although it will be difficult in practice to demonstrate the requisite purpose if the disposition took place for fair value (see Trowbridge v Trowbridge [2003] 2 FLR 231 at [60]).

d) Pursuant to s.37 MCA, the transferee is protected if it has given valuable consideration (even if there is an undervalue) and has acted in good faith and without notice. Under s.423 IA, a transferee cannot rely upon a bona fide purchaser defence, which is available only to a third party to the transaction under s.425(2) IA.

e) S. 37 MCA applies only where there has been a disposition by the spouse of his or her property. Accordingly, it only applies where (a) there has been a disposition of property, and (b) that property was directly owned by the spouse or his or her nominee/alter ego. On the other hand, s.423 IA adopts a much more flexible and broadly defined concept of a *"transaction"*, which can include informal arrangements and procuring acts by third parties.

f) A claim under s.423 IA is a claim brought on behalf of all victims collectively (s.424(2) IA) and the remedy granted must seek to protect the interests of all victims of the transaction (s.423(2)(b) IA). A claim under s.37 MCA is made by and for the benefit of the spouse making the financial remedies claim alone.

g) The remedies are different. Under s.37(2)(c) MCA, the primary relief is and is only *"an order setting aside the disposition"*, although the court enjoys a broad discretion to grant *"consequential directions"* pursuant to s.37(3) including against third-party recipients. Under ss. 423 to 425 IA, the court is granted a much broader discretion to *"make such order as it thinks fit"* for the purposes identified in s.423(2), which may include the wide-ranging relief set out in s.425(1) IA.

114. Mr Levy QC submitted that there was also a *"gateway condition"* under s.37 MCA that the relief could not be granted if the debtor had sufficient assets to meet his liability following the relevant transaction. I am satisfied that this submission is inaccurate for the following reasons.

115. First, s.37(1) uses the language of *"frustrating or impeding the enforcement of any order"*. Those words, as I noted in paragraph 108 above, capture dispositions which make enforcement slower and/or more difficult.

116. Second, the wording of s.37 MCA is demonstrably more generous to applicants than s.423 IA in certain respects, namely, the presumption of illegitimate purpose in s.37(5) and the fact that there is no need to prove that the transaction was at an undervalue. In the context of family relationships, it seems clear that the court has been provided with a broad power to remove any obstacle which could delay or hinder a spouse receiving the financial relief which the court considered to be appropriate.

Lies

117. In Re C (Female Genital Mutilation and Forced Marriage: Fact Finding) [2019] EWHC 3449 (Fam), I directed myself as to lies which may be told during an investigation and during a hearing in this way:

> *"27. It is common for witnesses in these cases to tell lies in the course of the investigation and the hearing. The court must be careful to bear in mind at all times that a witness may lie for many reasons, such as shame, misplaced loyalty, panic, fear, and distress. The fact that a witness has lied about some matters does not mean that he or she has lied about everything [R v Lucas [1981] QB 720]. It is important to note that, in line with the principles outlined in R v Lucas, it is essential that the court weighs any lies told by a person against any evidence that points away from them having been responsible for harm to a child [H v City and Council of Swansea and Others [2011] EWCA Civ 195].*
>
> *28. The family court should also take care to ensure that it does not rely upon the conclusion that an individual has lied on a material issue as direct proof of guilt but should rather adopt the approach of the criminal court, namely that a lie is capable of amounting to corroboration if it is (a) deliberate, (b) relates to a material issue, and (c) is motivated by a realisation of guilt and a fear of the truth [H-C (Children) [2016] EWCA Civ 136 at paragraphs 97-100].*
>
> *29. In this context, I have borne in mind the words of Jackson J (as he then was) in Lancashire County Council v The Children [2014] EWHC 3 (Fam). At paragraph 9 of his judgment and having directed himself on the relevant law, he said this:*
>
> > *'To these matters I would only add that in cases where repeated accounts are given of events surrounding injury and death, the court must think carefully about the significance or otherwise of any reported discrepancies. They may arise for a number of reasons. One possibility is of course that they are lies designed to hide culpability. Another is that they are lies told for other reasons. Further possibilities include faulty recollection or confusion at times of stress or when the importance of accuracy is not fully appreciated, or there may be inaccuracy or mistake in the record-keeping or recollection of the person hearing and relaying the accounts. The possible effects of delay and repeated questioning upon memory should also be considered, as should the effect on one person hearing accounts given by others. As memory fades, a desire to iron out wrinkles may not be*

unnatural - a process that might inelegantly be described as 'story-creep' - may occur without any necessary inference of bad faith.'"

118. Though these were not proceedings concerning children, this was family litigation albeit of a rather complicated sort. Nevertheless, the basic principles this court should adopt to assess witness evidence where lies are told remain essentially the same as outlined above. I have applied them to the witness evidence I heard from both the Wife and Temur.

Procedural History: Summary

119. On 17 July 2019, the Wife issued a without notice application seeking, inter alia: (a) to join Counselor and Sobaldo to the proceedings; and (b) freezing orders and ancillary orders against Counselor and Sobaldo. On 15 August 2019, I joined Counselor and Sobaldo to the proceedings and granted the relief sought by the Wife against them ["the Counselor/Sobaldo Freezing Order"].

120. On 15 November 2019, the Wife issued an application notice seeking: (a) to join Temur to the proceedings; and (b) orders for standard and specific disclosure against each of Temur, Counselor and Sobaldo ["the Wife's Disclosure Applications"]. On 29 November 2019, Temur issued an application notice seeking an order for disclosure against the Wife ["Temur's Disclosure Application"]. On 20 January 2020, I made orders, inter alia: (a) joining Temur to the proceedings; and (b) giving directions for the hearing of the claims against Counselor, Sobaldo and Temur.

121. On 26 February 2020, Counselor and Sobaldo issued an application notice for a stay of the present proceedings against them ["the Stay Application"]. On 28 February 2020, the Wife issued an application notice seeking to strike out one of Temur's counterclaims by which he sought to prohibit the Wife instructing solicitors paid directly or indirectly by Burford Capital ["the Strike Out Application"]. On 25 March 2020, Temur issued an application notice seeking orders: (a) imposing reporting restrictions on the media; and (b) prohibiting the parties to these proceedings disclosing documents from these proceedings to third parties ["the Reporting Restrictions Application"].

122. On 12 June 2020, following a hearing in May 2020 concerning (a) the Wife's Disclosure Application against Temur; (b) Temur's Disclosure Application; (c) the Strike Out Application; and (d) the Reporting Restrictions application, I handed down judgment resulting in two orders: a Reporting Restrictions Order ["the RRO"] and an order striking out Temur's counterclaim relating to the Wife's litigation funding; ordering standard disclosure from the Wife and Temur; ordering specific disclosure from Temur and that he answer the disputed Request for Further Information; and giving directions for trial ["the 19 June 2020 Order"] (Akhmedova v Akhmedov & Ors (Litigation Funding) (Rev 1) [2020] EWHC 1526 (Fam)).

123. On 18 June 2020, Temur issued an application for permission to appeal the 19 June Order and I refused that application on 19 June 2020. Moylan LJ refused Temur permission to appeal the 19 June Order on 4 September 2020.

124. On 1 July 2020, the Wife issued an application notice seeking (without notice) a freezing injunction and ancillary orders against Temur ["the WFO Application"]. On 17 July 2020 I heard the WFO Application and granted a worldwide freezing order against Temur (without notice) ["the Temur WFO"].

125. On 20 July 2020, the Wife issued two applications, one seeking to join Borderedge to the proceedings [the "Borderedge Joinder Application"] and another seeking an order for delivery up and forensic examination of Temur's electronic devices by Aon Cyber Security ["Aon"] ["the Forensic Examination Application"]. On 23 July 2020, I made orders continuing the Temur WFO; granting the Forensic Examination Application; and giving directions for the hearing of the Borderedge Joinder Application.

126. On 29 July 2020, the Wife issued two without notice applications seeking: (a) an order requiring Temur to attend court for cross-examination on his means ["the Part 71 Application"]; and (b) granting an interim charging order over Temur's flat ["the Charging Order"]. On 31 July 2020, Temur issued an application notice seeking to vary the Temur WFO.

127. On 3 August 2020, I made orders granting the Part 71 Application, requiring Temur to attend court for cross-examination and to produce documents and granting an interim charging order over his flat. On 10 August 2020, I made orders varying the Temur WFO; requiring Temur to produce documents under the Part 71 Order; and requiring him to take steps in respect of the Forensic Examination Order ["the Other Matters Order"].

128. On 14 August 2020 I made an order following a hearing in June 2020: (a) dismissing the Stay Application; and (b) granting the Wife's Disclosure Application against Counselor and Sobaldo ["the 14 August Order"] (Akhmedova v Akhmedov & Ors [2020] EWHC 2257 (Fam)). I refused Counselor and Sobaldo permission to appeal that order and they renewed that application to the Court of Appeal. On 26 November 2020, Moylan LJ refused Counselor and Sobaldo permission to appeal the 14 August Order.

129. On 4 September 2020, I joined Borderedge to the proceedings and gave revised directions to trial.

Disclosure prior to the Commencement of the Hearing

130. These proceedings have been distinguished by the deliberate failure of Counselor, Sobaldo, Temur and Borderedge to comply with their disclosure obligations prior to the commencement of the hearing. As Mostyn J observed in NG v SG [2011] EWHC 3270 (Fam), *"non-disclosure is a bane which strikes at the very integrity of the adjudicative process"* (at [1]). I wholeheartedly agree. I consider in turn the position of each of the Respondents.

Counselor and Sobaldo

131. The Liechtenstein Trusts simply refused to disclose a single document which was not already in the Wife's possession. Following the contested hearing in June 2020 and having adjudicated upon the evidence about the supposed risks to the Trusts of violating professional secrecy, I ordered that the Trusts give standard and specific disclosure (see Akhmedova v Akhmedov & Ors (Litigation Funding) (Rev 1) [2020] EWHC 1526 (Fam)). In a short supplemental judgment dated 21 August 2020, I observed that the Trusts *"will no doubt make an application to the Court of Appeal seeking a stay of this aspect of my order but, unless and until such an application finds success, their obligations are to disclose in accordance with my order for the reasons I gave in my judgment."*

132. Notwithstanding that no stay had been granted by the Court of Appeal, Counselor and Sobaldo refused to give the disclosure as ordered, instead providing only documents which were already in the Wife's possession. Despite having submitted voluntarily to this court's jurisdiction and having had the opportunity to argue their case as to whether or not they should provide disclosure, Counselor and Sobaldo flagrantly disregarded this court's orders. Despite my judgment on the risks of prosecution, their continued reliance on trustee confidentiality under Liechtenstein law struck me as nothing but a device to avoid revealing documents unhelpful to their case.

Temur

133. On 17 July 2020, Temur's disclosure statement stated: (a) that he had carried out a search on (i) a single iPhone (including the associated WhatsApp account), (ii) a single laptop computer, (iii) a single personal computer, (iv) an Apple watch, (v) an email account [details omitted in the interests of confidentiality], and (vi) an image of an iPhone XS taken in November 2019. The disclosure statement also explained that Temur had previously had relevant documents in important categories, but that these documents were no longer in his control because *"they were stored electronically, but were subsequently deleted. Increasingly, since January 2018 on professional advice, I have adopted a practice of periodically destroying mobile devices and computer storage for security reasons"*. Temur denied that he had destroyed or deleted any data after he was ordered to preserve his documents on 20 January 2020.

134. Remarkably, Temur's disclosure at that time contained almost none of his own documents. He disclosed only: (a) two emails from October 2013 to/from UBS, (b) certain of his UBS bank statements, and (c) a power of attorney to Ms Sagadeeva dated 15 February 2020. Additionally, a cache of 819 emails deriving from the records of Kerman & Co was supplied, these emails covering the period 6 November 2014 to 1 March 2016. That period of time did not encompass most of the events in issue in these proceedings. The emails were also limited to communications involving Kerman & Co and/or Reed Smith and thus excluded, for example, communications between Temur and his father.

135. The Wife's skeleton argument contained a lengthy analysis of Temur's attempts to evade his disclosure obligations. I observe that none of this analysis was challenged in the skeleton argument provided on Temur's behalf prior to the start of the hearing. I highlight some of Temur's behaviour in evading his disclosure obligations as follows.

136. Temur was the owner of a variety of electronic devices beyond those identified in his disclosure statement. A significant number of computers, phones, and storage devices - 47 in number - were found in his London flat when the Search Order was executed. He failed to reveal their existence in contempt of the Forensic Examination Order, and then, when challenged, repeatedly gave untruthful answers in correspondence about whether such devices existed. Prior to the commencement of the hearing, it had become apparent on review by the supervising solicitor (appointed pursuant to the Forensic Examination Order) and/or Temur's legal team that several of the devices recovered contained a mass of relevant documents.

137. Prior to the hearing, Temur failed to disclose any communications or documents (save for a single power of attorney) about the proceedings in the Moscow Arbitrazh Court relating to the Moscow Property and the Termination Agreement, all of which took place in 2020, that is, after he had been ordered to preserve documents. The absence of any documentation relating to the Moscow Property made no sense and could not be accounted for by any historic routine destruction. Temur's explanation that he communicated with Ms Sagadeeva and representatives of Sunningdale using the Signal and Telegram messaging services, such that communications were automatically deleted, did not account for the breach of my order to preserve documents. He could easily have disabled the option to delete messages automatically on those services. The inference was that he was either concealing communications relating to the Moscow Property or had chosen to communicate using a method intended to ensure that all evidence of his dealings was destroyed.

138. Temur also frustrated the Forensic Examination Order. First, he failed to comply with the order for production of his electronic devices. The devices allegedly sent from France in July 2020 mysteriously disappeared prior to reaching DHL's warehouse and, in consequence, DHL initiated a police investigation in France. Second, he claimed to be unable to remember the password or recovery details for any of his four Google-hosted email accounts which he had been ordered to permit Aon to access. Aon is a company experienced in investigating and retrieving electronic data held on both devices and in cyber accounts and was appointed pursuant to the Forensic Examination Order. Aon's efforts to access his accounts revealed that Temur had deleted an account in August 2020, that is, after the making of the Forensic Examination Order and at a time when he claimed to have been unable to access that account at all. Furthermore, he failed to disclose an email address, or the Apple account associated with that email address, both of which were associated with his iPhone XS.

139. In an attempt to obtain some meaningful disclosure, I granted an order on 10 August 2020 requiring Temur to execute mandates authorising Google to release his emails to Aon. However, Temur delayed in providing the signed mandates and then, persistently and without justification, opposed the Wife's application to the US District Court for an order requiring Google to produce those emails to Aon. It took a further order from this court on 28 September 2020 to bring about the withdrawal of Temur's opposition. Prior to the start of the hearing, the Wife received non-content information from Google which included the dates, senders and recipients of emails held on one of Temur's email accounts, but which did

not provide subject lines or message content. Google refused to provide content information, apparently on the basis that it could not be satisfied that the account holder had provided consent in circumstances where Temur claimed to be unable to undertake any of Google's account recovery steps. Finally, Temur's bank statements showed multiple payments each month to Google GSuite, Amazon Web Services and Google Storage. Temur did not provide Aon with access to any of these accounts and made no meaningful response when asked about these accounts, including in a formal Request for Further Information.

140. Prior to the start of the hearing, Temur also failed to give proper disclosure of his assets despite being required to do so under the WFO and the Part 71 Order. He did not reveal the existence of an account held in his name at Pasha Bank in Azerbaijan. Its existence was only discovered on 10 September 2020 from the bank statements of SCI Villa Pomme de Pin disclosed into the proceedings. On 6 October 2020, Temur's solicitors said that he was taking steps to obtain copy bank statements from 3 August 2018 to date. No such statements were provided and, instead on 19 October 2020, Temur's solicitors asserted that the bank account belonged to a cousin of the same name. The Wife submitted this was implausible as, if Temur knew that he did not have a Pasha Bank account, he would have said so immediately rather than saying he was taking steps to obtain copies of statements. Further, there was no explanation as to why Temur's cousin would be making a payment to a company in which Temur had an interest. Finally, the account was registered to the Husband's address in Baku.

141. Against this background, in his sixth witness statement produced on 7 December 2020, Temur admitted the following:

a) failing to give *"full"* disclosure;

b) not delivering up devices under the Forensic Examination Order (both the devices in France and the devices in his London flat); and

c) masterminding a plan to use an employee, Ms van Engelen, to arrange the *"loss"* of a parcel containing an old device to provide a false excuse for his non-compliance with the Forensic Examination Order in July 2020.

142. On any analysis, Temur's admissions - supported by his previous evasion of his disclosure obligations - constituted persistent and deliberate breaches of court orders. Though he sought to persuade me that his breaches were not intended to affect the fairness of the proceedings, I reject that explanation for his behaviour. He advanced concerns about invasion of his privacy to justify his behaviour but those made no sense. Had he given proper disclosure initially, he would have been searching his own devices rather than sharing them with anyone else. The Forensic Examination Order, to which he consented, contained careful safeguards (including those proposed by his own legal team), to ensure that no irrelevant, private information was disseminated. His claims that he was not informed about what was going on in the proceedings or the reasons for the orders made were utter nonsense given that he was assisted by very experienced solicitors and counsel at all relevant times. I regard the timing of his admissions - once the trial had begun and as he was about to give oral evidence - as entirely of a piece with his unscrupulous litigation conduct in the months before trial.

143. Waiting until the start of the second week of the hearing to *"come clean"* meant that the electronic devices still in Temur's possession only arrived with Aon for examination after he had begun his oral evidence. In those circumstances, there was no realistic possibility that any data on those devices would be extracted and made available for the purposes of trial. Temur was unable to explain why he had not brought the devices with him from Moscow, this being the obvious thing to do if he was seeking to persuade me that he had seen the error of his ways and wished to cooperate with the court process. I gave him some very limited credit for conveying these devices from Moscow as, judging by his past behaviour, he could have continued to refuse to or prevaricated about surrendering them for examination at all.

144. I was also wholly unpersuaded that Temur had begun to appreciate that his litigation conduct might warrant some revision during the hearing on 4 November 2020. Mr Levy QC described this as the start of *"his come to Jesus moment"* and pointed to the moment of full realisation on 2 December 2020 when Temur finally saw the error of his ways and wished to assist the court by giving honest evidence and complying with my orders. If the penny had begun to drop on 4 November 2020 when Temur said it did, this did not explain why Temur filed a false statement on 27 November 2020 denying his breaches of the Forensic Examination Order or why he only began to *"fess up*" – as Mr Levy QC put it – once the trial had begun. In fact, Temur continued to breach my order made on 2 December 2020, requiring him to provide information about STE Capital, a business in which he was heavily involved. Instead of seeking full information from Mr Devlin, STE's *"general counsel"*, or from Mr Canderle, STE's *"investment advisor"*, Temur only disclosed a small number of emails rather than providing proper information about STE's investments and transactions as required by my order.

145. I will consider the inferences - if any - I should draw from Temur's litigation conduct at a later point in this judgment.

Borderedge

146. Borderedge's disclosure was received on 6 November 2020. It was unsatisfactory in many respects. The disclosure statement was signed by Temur rather than by a director of Borderedge: Temur's own violation of his disclosure obligations did not inspire confidence in the contents of Borderedge's disclosure statement. Additionally, I regard it as concerning that, on 6 November 2020, Borderedge's professional director was unable to put its name to a statement confirming that proper searches had been performed. That disclosure statement was also unsatisfactory because it did not identify what searches for relevant material had been undertaken. No note, email or other communication with the director discussing the transaction, by which Borderedge received €27.5 million and took over the security granted by Cotor to UBS, was produced. It seemed to me simply incredible that a professional director would have entered into such a transaction without instructions from the shareholders and/or an explanation of the transaction. The only records produced by Borderedge were the formal transaction documents with UBS.

147. I granted an extension of time to Borderedge on terms that the documents under the control of its former director (Page Directors Ltd) would be searched. Though the disclosure statement was by 12 November 2020 signed by Page Directors in respect of documents pre-dating 2020 and by Mittelmeer from the date of their appointment, the disclosure provided on that date was scarcely complete.

148. To excuse its deficient disclosure, Borderedge explained that the search by Page Directors had been compromised because, on 17 September 2020, Page Directors stood down and were replaced by Mittelmeer. It was said that this had caused Borderedge and its directors considerable difficulty. Ms Hitchens submitted in closing that Page Directors had carried out a full review of the documentation and correspondence and had disclosed what was required. Notwithstanding that submission, I have real doubt about the extent of that disclosure and observe that some documents were only disclosed on 6 December 2020 once the hearing had begun.

149. I infer that, prior to the commencement of the hearing and under Temur's control, Borderedge failed on 6 November 2020 to give proper disclosure and failed to disclose the communications which led it to enter into the transaction set out below in this judgment. In the immediate weeks before trial, it dawned on Borderedge that the disclosure provided on 6 November 2020 was patently inadequate and so began something of a scramble to remedy the defects to present something approaching a credible case at trial.

The Hearing

150. This was a hearing not without incident.

151. On 26 November 2020, the Wife's solicitors served on the parties an application which, amongst other matters, sought permission to adduce at the hearing a witness statement from Ms Van Engelen, the property manager of Villa le Cottage in France. In response, on 27 November 2020, Temur's legal representatives issued an application for the adjournment of the trial. In a statement supporting the application, Mr Lewis, Temur's solicitor, stated that Ms Van Engelen's statement contained several serious allegations which were untrue and that Temur should be permitted to obtain evidence in rebuttal to help him *"refute the lies that have been told about him"*. The statement continued: *"In the interests of justice and fairness, the trial should be adjourned so that the falsity of this new evidence and the circumstances in which it was obtained can be exposed for all to see"*. Mr Lewis's statement was also accompanied by a witness statement of Temur, signed and dated 27 November 2020, denying the contents of Ms Van Engelen's statement.

152. The trial timetable provided for two reading days on 30 November and 1 December 2020. During the evening of 30 November 2020, Temur's legal representatives wrote to the court and the parties stating that *"we have been left in the position of having to apply to come off the Court Record. We had anticipated that mortgage funds could be obtained to provide the 10th Respondent with representation at the trial but regrettably we have not been able to satisfy PCB Solicitors. In the circumstances we will be issuing a formal application in the morning supported by evidence. We will continue to represent the 11th*

Respondent". The reference to mortgage funding for the purpose of representation related to an order I made on 10 August 2020 varying the WFO so as to permit Temur to raise finance for his legal representation and other costs by raising a mortgage on his London flat. The order contained careful conditions which, inter alia, required Temur to comply with the Part 71 order relating to asset disclosure before mortgage finance could be released to his legal representatives for the purpose of financing his role in these proceedings. By late on 30 November 2020, there remained problems in securing the mortgage funding and Temur's solicitors felt unable to act for him. It is not relevant to apportion blame for these difficulties as Mr Lewis's email sought to do, but the effect of the 30 November 2020 email was to leave Temur unrepresented on the eve of a lengthy hearing.

153. On 1 December 2020 I received by email a letter from Temur which confirmed that he would be representing himself as a litigant in person and sought my assistance in allowing him to have representation at the hearing. Temur was, at that time, in Moscow. The Wife's solicitors wrote to him seeking further information about his assets to which he responded later on 1 December 2020.

154. On 2 December 2020 Temur appeared unrepresented via video-link in my court room. Mr Gourgey QC submitted that the situation in which Temur found himself was entirely of his own making as, contrary to the position advanced by Temur's former legal representatives, the Wife had co-operated with the efforts to secure mortgage funding for the purpose of funding Temur's legal representation. He pointed me to serious deficiencies in the replies given by Temur in correspondence on 1 December 2020 about his assets and submitted that the trial could proceed with Temur as a self-representing litigant.

155. Temur told me that he had gone to Moscow to be with his family there as he felt stressed by the trial and begged for help so he could have legal representation. With some assistance from me, he asked me to vary the conditions relating to mortgage funding in the order I made on 10 August 2020 in order that he might be legally represented. Ms Hitchens was able to assist the court by confirming that, if funding were available, Temur's previous solicitors together with leading and junior counsel already instructed would be available to represent him at the hearing. I was very grateful to Ms Hitchens for making those enquiries to assist the court.

156. I express no view as to whether the state of affairs which faced the court on 2 December 2020 was of Temur's own making or whether there was any lack of co-operation by the Wife with respect to the mortgage on Temur's flat. I do not need to do so as, viewed from every angle, the court was faced with a deeply unattractive scenario for the impending trial. This was complex litigation where the stakes were high for all those involved. Temur would have to have been extremely well organised to represent himself and, on my reading of the papers, that discipline would not have come easily to him. Faced with a stellar legal team on behalf of the Wife, he would have floundered and disadvantaged his own case. I could also easily foresee the need for adjournment during the hearing to allow Temur more time to prepare, thereby prolonging the proceedings, increasing the financial costs of the proceedings, and disadvantaging the interests of the other parties. That struck me as wholly contrary to the interests of justice and I

indicated to Mr Gourgey QC that a solution could be found by (a) varying the conditions in the 10 August 2020 order and (b) coupling that with a fresh order requiring disclosure from Temur by 9 am on 6 December 2020 as to those matters raised in correspondence on 1 December 2020. Additionally, I required Temur to return to this jurisdiction before any funds would be released to his solicitors. Following some time for discussion, this solution was agreed between the parties present in court and Temur's former legal team. Temur confirmed to me that he was content with the court's orders and confirmed he would return to the jurisdiction to attend the trial. I adjourned the Wife's application with respect to the evidence of Ms Van Engelen to 7 December 2020 and gave Temur permission to withdraw the application to adjourn the proceedings made on 27 November 2020. Temur returned to the jurisdiction the following day and, by reason of the completed mortgage on his London flat, his previous legal team were able to continue to represent him at the trial.

157. On 7 December 2020, the hearing continued as I had permitted 3 and 4 December 2020 to be used by Temur and his legal representatives for trial preparation. On that date, Temur's sixth witness statement, to which I have already referred in this judgment, became available. In that statement he made a wide variety of admissions, including some which supported the version of events given by Ms van Engelen in her statement. He had also provided some, though not all, the disclosure required by the order I made on 2 December 2020. Temur had also produced a laptop and iPhone and had arranged for his additional electronic devices to be sent from Moscow, these being devices he should have surrendered for examination in accordance with the Forensic Examination Order in summer 2020. Mr Levy QC accepted that Temur's statement *"fessed up"* to significant and serious breaches of court orders and said that Temur was now intent upon being honest with the court.

158. Mr Gourgey QC pursued the Wife's application to call Ms van Engelen as a witness. This was opposed by Mr Levy QC. I gave a separate ruling on that issue, admitting Ms van Engelen's statement but prohibiting cross-examination about her involvement with - on Temur's instructions - the concealment of Temur's electronic devices from the court. Her statement contained material relevant to Temur's disclosure obligations, but it was not necessary to cross-examine her about the electronic devices given that Temur had conceded her account about how those devices came to be *"lost"* en route from France to this jurisdiction was accurate. No party sought to call Ms van Engelen as a witness following my ruling. For the purposes of this judgment, it is unnecessary to repeat the detail of my ruling on this issue. That ruling can be found in the glossary appended to this judgment (Akhmedova v Akhmedov [2020] EWHC 3736 (Fam)).

159. I heard the oral evidence of the Wife and of Temur. Given the significant changes to his witness statement and an ongoing police investigation in France with respect to the electronic devices handed to DHL in late July 2020 and with the agreement of counsel, I cautioned Temur about his oral evidence in formal terms, by telling him that if the answers he gave to questions were likely to incriminate him in either this jurisdiction or elsewhere, he may be entitled to refuse to give answers but was recommended to take legal advice before so doing. I reminded him that a wrongful refusal to provide answers was a contempt

of court and might render him liable to imprisonment, a fine or the seizure of his assets. That caution was necessary in the circumstances and, occasionally during his cross-examination, I reminded Temur of it where the question posed might have elicited an answer which could have incriminated him in this jurisdiction or elsewhere. He was also reminded of the caution at the beginning of every day on which he gave his oral evidence.

160. Finally, alongside the process of taking evidence from the Wife and Temur, the devices belonging to Temur arrived from Moscow though not until after he had started to give his evidence on 9 December 2020. These were passed to Aon for examination and material which was relevant was found on some of these devices. The process set out in Forensic Examination Order was followed and such material as did not attract a properly formulated claim of privilege was disclosed to the parties during the hearing. It was deeply regrettable that the court and the parties were disadvantaged by Temur's failure to comply at all with my orders until the eleventh hour and fifty-ninth minute of the trial process.

The Evidence

161. The detail and the findings I make with respect to each witness's evidence are found throughout this judgment. I summarise below my overall findings with respect to each witness's evidence, reliability, credibility and honesty. I have also addressed one or two other matters concerning the evidence.

The Wife

162. The Wife was cross-examined by Mr Levy QC alone. She gave her evidence quietly and struck me as being very nervous indeed. The circumstances in which she found herself were acutely awkward as she had to give evidence against one of her own children in the glare of significant media interest. On one or two occasions, she struck me as being very close to tears, for example, when Mr Levy QC drew her attention to the fact that her other son, Edgar, (a) had had sight of an email from his father which made plain the Husband's intention to withhold any of his money from her and (b) that Edgar had gone with the Husband and Temur to Qatar in 2015 in pursuit of the Husband's scheme to evade compliance with an English court order in the divorce proceedings. She told me that this was the first time she had realised Edgar had had some involvement in the Husband's schemes. Though the material to which she was referred by Mr Levy QC formed part of her disclosure, I did not think she had previously grasped the significance of that detail as far as Edgar was concerned.

163. The Wife's evidence was of marginal importance to the issues in this case. She had plainly no knowledge of what was going on behind her back as far as the Husband's and Temur's behaviour in the schemes of evasion was concerned. Though cross-examined at great length on the basis that she knew throughout the amounts Temur was trading because he had told her, Temur in fact accepted in his oral evidence that he had not told his mother of the $50 million given to him by the Husband until after he had lost it in trading. He also accepted that he had not told his mother the exact amounts he was trading in 2014.

164. Mr Levy QC submitted that the Wife's evidence was confused, confusing and defensive. Whilst at times she appeared uncertain of what was being asked of her, she accepted points put to her even if they might be perceived as adverse to her case. Thus, she accepted (a) that she was not aware of limits being put by her husband on Temur's expenditure; (b) that certain messages indicated that the Husband had provided start-up capital for Temur's trading activities; and (c) she had thought from 2014 that Temur was helping his father to avoid her getting a fair share of the marital assets.

165. Mr Levy QC sought to suggest that the Wife's evidence was contaminated throughout by animus towards her Husband and Temur, making her an unsatisfactory witness. I found her account that Temur had concealed the payment by the Husband of $8.975 million to Edgar to be both contrary to the contemporaneous evidence and unsupported by any evidence at all. However, I was not surprised that the Wife might have formed a very negative view of Temur's behaviour from about 2015 onwards. Their relationship became strained in the aftermath of the breakdown of her relationship with the Husband when the Wife told me that they only discussed matters other than those relating to the Husband. Temur agreed in his evidence that his relationship with his mother became strained at about that time. By the time Temur gave a statement in the financial remedies proceedings supportive of the Husband in September 2016, the Wife had reason to be suspicious of his behaviour.

166. Mr Levy QC suggested that a text message the Wife sent to Edgar in September 2020 contained a message of veiled menace towards Edgar which shed a light on the Wife's attitude to the litigation. The message suggested that the Wife wanted Edgar to know that she did not want/would not take his flat and that she wanted Edgar to keep away from the litigation by taking as neutral a stance as possible. The message continued by saying that she knew Temur wanted to involve Edgar in his wrongdoing and wanted to convince Edgar that his mother would go after him as well. It ended by saying that it was a choice for Edgar but that *"most definitely on Temur's example you can see it's not going to get you anywhere good"*. The Wife told me that Edgar was under pressure to take sides in this litigation and she wrote this message to reassure him that she had no intention of bringing a claim against him because he had not engaged in wrongdoing. Having thought about this, I cannot see why the Wife should be criticised for encouraging Edgar not to follow Temur's example and not to become involved given the consequences.

167. Much of Mr Levy QC's cross-examination focussed on the Wife's knowledge of Temur's trading activities. She told me that she saw Temur using trading terminals after he moved into his flat in about July 2014 but assumed this was for the purpose of simulated trading in connection with his studies. Given the strained relationship between mother and son, I doubt that Temur told her he was trading significant sums of money gifted to him by his father and I also doubt that she enquired into the nature of Temur's activities by asking him about them. I note there was no contemporaneous evidence that the Wife was told about the sums of money given to Temur by his father in early 2014 though she was copied into emails about the significant sums spent on Temur's flat. She seems to have discovered later - in either 2014 or 2015 - that Temur was engaged in real time

trading. The Wife always accepted that Temur had told her he suffered stock market losses in late 2015 for which she consoled him and she disclosed a WhatsApp message Temur had sent her telling her about his losses. Her memory of what she was told in 2015 was poor but I am not persuaded that she only belatedly revealed she knew of the amount lost by Temur because she expected to be *"caught out"* when Temur delivered up his devices pursuant to the Forensic Examination Order. In fact, by the date her witness statement was signed in August 2020, Temur's devices were said to have been *"lost"* by DHL and Aon was only going to be examining an image of a recent iPhone which Temur said had already been searched.

168. My overall impression of the Wife's evidence was that she was incurious about the activities of her sons and lacked any real understanding of the Husband's dealings with either Edgar or, more importantly, Temur. Unsurprisingly, her negative attitude towards Temur coloured her evidence but her oral evidence was of very limited importance in my decision-making.

Temur

169. Temur's oral evidence was preceded by his belated admissions of having significantly breached his disclosure obligations. I explained in paragraphs 142-144 why I rejected his explanation that he did not intend thereby to affect the fairness of the hearing before me.

170. Mr Levy QC rightly drew my attention to the extraordinary position in which Temur found himself, embroiled in the battle between his parents. I have some sympathy for him as it was clear he struggled with his emotions from time to time in the witness box.

171. I have thought very carefully indeed about the impact of Temur's lamentable litigation conduct on his oral evidence. I have found it useful to direct myself to the observations made by Lord Sumption in Prest v Petrodel Resources Limited [2013] 2 AC 415 which dealt with the issue of the inferences which can be drawn from a failure to provide disclosure or to cooperate with the proceedings in the context of the beneficial ownership of properties held legally in the names of various companies. In his judgment, Lord Sumption made several observations:

"[44] In British Railways Board v Herrington [1972] AC877, 930-931, Lord Diplock, dealing with the liability of a railway undertaking the injury suffered by trespassers on the line, said:

"The appellants, who are a public corporation, elected to call no witnesses, thus depriving the court to have any positive evidence as to whether the condition of the fence and the adjacent terrain had been noticed by any particular servant of theirs or as to what he or any other of their servants either thought or did about it. This is a legitimate tactical move under our adversarial system of litigation. But a defendant who adopts it cannot complain if the court draws from the facts which have been disclosed all reasonable inferences as to what are the facts which the defendant has chosen to withhold. A court may take judicial notice that railway lines are regularly patrolled by linesmen and Bangers. In the absence of evidence to the contrary, it is entitled to infer that one or more of them in the

course of several weeks noticed what was plain for all to see. Anyone of common sense would realise the danger that the state of the fence so close to the live rail created for little children coming to the meadow to play. As the appellants elected to call none of the persons who patrolled the line there is nothing to rebut the inference that they did not lack common sense to realise the danger. A court is accordingly entitled to infer from the inaction of the appellants that one or more of their employees decided to allow the risk to continue of some child crossing the boundary and being injured or killed by the live rail rather than to incur the trivial trouble and expense of repairing the gap in the fence."

The courts have tended to recoil from some of the fiercer parts of this statement which appear to convert open ended speculation into findings of fact. There must be a reasonable basis for some hypothesis in the evidence or the inherent probabilities, before a court can draw useful inferences from the party's failure to rebut it. For my part I would adopt, with a modification which I shall come to, the more balanced view expressed by Lord Lowry with the support of the rest of the committee in R v Inland Revenue Commissioners, Ex p TC Coombs & Co [1991] 2 AC 283, 300:

"In our legal system generally, the silence of one party in face of the other party's evidence may convert that evidence into proof in relation to matters which are, or are likely to be, within the knowledge of the silent party and about which that party could be expected to give evidence. Thus, depending on the circumstances, a prima facie case may become a strong or even an overwhelming case. But, if the silent party's failure to give evidence (or to give the necessary evidence) can be credibly explained, even if not entirely justified, the effect of his silence in favour of the other party may be either reduced or nullified."

Cf. Wisniewski v Central Manchester Health Authority *[1998] PIQR 324, 340.*

[45] The modification to which I have referred concerns the drawing of adverse inferences in claims for ancillary financial relief in matrimonial proceedings, which have some important distinctive features. There is a public interest in the proper maintenance of the wife by her former husband, especially (but not only) where the interests of the children are engaged. Partly for that reason, the proceedings although in form adversarial have a substantial inquisitorial element. The family finances will commonly have been the responsibility of the husband, so that although technically a claimant, the wife is in reality dependent on the disclosure and evidence of the husband to ascertain the extent of her proper claim. The concept of the burden of proof, which has always been one of the main factors inhibiting the drawing of adverse inferences from the absence of evidence or disclosure, cannot be applied in the same way to proceedings of this kind as it is in ordinary civil litigation. These considerations are not a license to engage in pure speculation. But judges exercising family jurisdiction are entitled to draw on their experience and to take notice of the inherent probabilities when deciding what an uncommunicative husband is likely to be concealing. I refer to the husband because the husband is usually the economically dominant party, but of course the same applies to the economically dominant spouse whoever it is."

Prest demonstrates that non-disclosure can arise in a variety of circumstances and the family court must do its best to draw such adverse inferences as are justified,

having regard to the nature and extent of the party's failure to engage properly with the proceedings. What has been disclosed, judicial experience of what is likely being concealed and the inherent probabilities will all be relevant in that exercise. I have adopted this approach in evaluating Temur's evidence.

172. For the avoidance of doubt, I make it clear that I do not rely on any inferences arising from Temur's refusal to answer questions which might incriminate him in this jurisdiction or elsewhere.

173. Temur's defence was dependent upon my finding him to be a witness of truth. Having had the opportunity to view him giving evidence over a prolonged period, I am quite satisfied that Temur was not a witness of truth. On the contrary, he showed himself to be an untruthful and unsatisfactory witness who lied in respect of various aspects of his evidence, who had a propensity to make up his evidence as he went along, who changed his evidence repeatedly when confronted with the contemporaneous documents, and who provided explanations that were simply beyond belief. I have decided that I must approach his oral evidence with extreme caution and, save where corroborated by credible evidence or where it is contrary to his interest, I do not accept the truth of that evidence.

174. Temur had an unfortunate propensity to answer questions with rambling speeches about his mother (and her alleged relationships which he knew I had determined to be irrelevant to the issues at trial), his mother's *"greed"* (that being her unwillingness to accept far less than her legal entitlement), her lawyers, Burford Capital, and Mr Ross Henderson. I formed the distinct impression that, in addition to evading the questions put to him when such speeches were made, Temur was using the witness box as a soapbox to denigrate his mother and her legal team to the world at large.

175. Though Mr Levy QC was critical of the Wife's poor memory for events, that was matched by her son's. Temur often feigned ignorance of matters he obviously knew or of important instructions which he personally gave. For example, he claimed not to know the price at which the Husband had sold his shares in Northgas when asked by Mr Gourgey QC in cross examination but then volunteered the precise figure of US$1.375 billion to Mr Levy QC in re-examination. In addition, many of his answers were, in my view, evasive *"stock"* responses such as (a) he always assumed that the lawyers and bankers advising him and his father were acting properly; (b) that he was only 20 or 21 years old at the relevant time, the inference being that he was too young and/or immature to understand what he was involved in; and (c) that he was unable to understand the schemes which he himself was arranging. In fact, those stock responses were rather undermined by Temur's evident pride in assisting his father in placing the matrimonial assets beyond reach of enforcement by his mother.

176. As is often the case with a witness who does not tell the truth, Temur was unable to be consistent in his account. I highlight some of those matters later in this judgment, but they were most strikingly seen in his oral evidence about the Moscow Property.

177. Notwithstanding all the above, I found Temur's oral evidence extremely illuminating, such that it was unnecessary for me to rely on any adverse inferences from his litigation conduct in coming to my conclusions.

Expert Evidence

178. I also had the benefit of several expert reports. Some related to Liechtenstein civil and criminal law which were relevant to the claims made against Counselor and Sobaldo. There was a report from Aon relating to a mobile phone image taken from an iPhone XS belonging to Temur which confirmed that no recoverable user data was available (though some message data and web history data may have been deleted). It was not possible to ascertain the nature or content of the deleted material or when such deletions might have taken place.

179. With respect to the Moscow Property, a jointly instructed expert, Mr Kirill Trukhanov, provided two reports, dated 9 October 2020 and 9 November respectively. He gave an opinion on the legal effect, under Russian law, of the agreement dated 15 June 2018 for the sale and purchase of shares in a Russian company, Solyanka Servis, and the effect of the alleged non-payment of the price due under the sale and purchase agreement. I summarise his conclusions as follows:

a) Temur acquired ownership in Solyanka Servis from the date that the entry was made in the Unified State Register of Legal Entities indicating him as the sole proprietor, holding a 100% share in Solyanka Servis. Such an entry was made on 22 June 2018 and from this date, Temur became the owner of the shares (obtained an absolute property right) without any encumbrances. This meant that, from that moment, the shares became his property which he could freely dispose of.

b) During the period between 22 June 2018 and 26 May 2020, Temur remained the sole owner of the shares in Solyanka Servis without restrictions.

c) Even if Temur had failed to pay the price required under the share purchase agreement, this had no effect on either the validity of the share purchase agreement or the ownership rights over the shares in Solyanka Servis. However, non-payment of the purchase price entitled Sunningdale to file a claim with the Russian commercial (Arbitrazh) court seeking termination of the share purchase agreement and the return of the shares.

There was no challenge to the contents of Mr Trukhanov's report at trial.

180. Finally, and again with respect to the Moscow Property, I had a valuation report from Dr Mamadzhanov dated 9 October 2020 prepared on the basis of a joint letter of instruction. His report assessed that, in June 2018, the Moscow Property was worth RUB 546,435,400 (or £6.58 million using the exchange rate at that time). There was no challenge to this report during the hearing.

Mr Ross Henderson

181. In his closing submission, Mr Levy QC sought to persuade me that I should draw an adverse inference from the Wife's failure to call Mr Ross Henderson to give oral evidence, namely that she could not establish that the monies paid to Temur were inspired by the same desire on the part of the Husband to put assets beyond her reach. He relied on the Wife's oral evidence that Mr Henderson had been in regular communication with the Husband and that he would have been well placed to help the court with explaining (a) the Husband's intentions in May 2015 and (b) Cotor's financial position in August 2015. Mr Henderson was said by Mr Levy QC to be a critical witness.

182. By way of background and in summary, as set out in my judgment, Akhmedova v Akhmedov [2019] EWHC 3140 (Fam), from about August 2014, Mr Henderson ran the Akhmedov family office and his main role was the management of the family's investments, principally those of Cotor. Mr Henderson had got to know the Husband when he was working as a banker for UBS in Switzerland. On 24 August 2015 he was sacked by the Husband with immediate effect. Mr Henderson retained his office equipment including his computer on which his emails and documents were stored. In mid-2017 he copied emails/documents from the hard drive of the office computer onto a personal server, this being material relating to his time as the Husband's employee. In November 2017, Mr Henderson gave this material to the Wife's Swiss and Liechtenstein lawyers and, shortly thereafter, it was provided to her then solicitors in this jurisdiction.

183. Mr Gourgey QC submitted that the Wife's evidence did not establish a sound basis for Mr Henderson's knowledge of the Husband's intentions. First, she agreed with Mr Levy QC that Mr Henderson would have had dealings with the Husband on a regular basis because this was how family offices worked. When then asked whether Mr Henderson would have been well placed to assist the court in explaining her Husband's intentions in May 2015 when both Temur and Edgar were gifted significant sums, it being put to her that Mr Henderson would have known what the Husband's intentions were, the Wife replied, *"I believe so"*. As Mr Gourgey QC submitted, the Wife would have had no knowledge of what was being discussed between Mr Henderson and the Husband. Temur gave no oral evidence to support the contention that the Husband was discussing the Investment Purpose with Mr Henderson or that Mr Henderson knew what the Husband's intentions were in May 2015.

184. I am not so persuaded that Mr Henderson's evidence would have assisted me. He was only present - in the sense of being employed by the Husband - in May 2015 and all the other payments claimed from Temur by the Wife were made after he was sacked. He was also not in the Husband's employ in late 2013/early 2014 when Temur said the Investment Purpose was agreed between him and his father. His evidence about Cotor's financial position in August 2015 would have been irrelevant to the payment Temur received on 25 August 2015 as he had been sacked the day before and, on Temur's own case, he did not discuss a further investment by his father in his trading venture until late on 24/25 August 2015. Evidence of the Husband's intentions and schemes was plain from the contemporaneous material and Mr Henderson's oral evidence was unnecessary to prove the same.

185. I have spent some time examining the contemporaneous documents dating from 2015. The picture with respect to Mr Henderson's knowledge of the Husband's intentions was more than a little unclear. Though he was copied into some of the email traffic, he was excluded from some of the important emails from Mr Kerman to Temur, such as that on 14 July 2015, which set out the latest iteration of the strategy to put the Husband's assets out of the Wife's reach (see paragraph 31(d) above). He was also not included in the distribution list for the email on 6 November 2014 when the scheme to move the Husband's assets to the UAE to escape enforcement by the Wife was still at an embryonic stage. He only had access to the email sent on 9 June 2015 (see paragraph 31(b)) in which Mr Kerman spelled out the efforts to implement the strategy to Temur because the Husband forwarded it to him with a question mark. Noticeably he was not on the distribution list for an email from Mr Kerman to Temur on 10 June 2015 in which Mr Kerman sought to persuade Temur of the steps his father needed to take to protect his assets (the Husband having lost patience with the situation in Qatar). Mr Henderson only received a copy of that email later on 10 June 2015 because it was forwarded to him by a lawyer at Reed Smith *"to keep you in the loop"*. He was not sent an email on 22 June 2015 in which Mr Kerman answered the Husband's questions about the UAE scheme in the context of the ongoing financial remedies proceedings. The overall impression I formed was that Mr Henderson was not privy to the strategic discussions about the Husband's schemes but was trusted - as a money man - to implement the steps necessary on the ground with the relevant financial institutions in the UAE and elsewhere. For that he required some knowledge of what was intended, but he could not be said to know from moment to moment what was in the Husband's mind during this period. The only person with a real handle on that was Temur.

The Claims against Counselor and Sobaldo

Purpose of the Transfer into the Genus Trust

186. The Wife submitted that the Monetary Assets were transferred from Cotor into the Genus Trust (the first of the Liechtenstein Trusts) (a) for the purpose of putting assets beyond her reach pursuant to s.423 IA and/or (b) frustrating or impeding the enforcement of any order which might be made for the purposes of s.37 MCA. There was a statutory assumption to that effect in s.37(5) MCA and no party advanced a positive case to rebut that presumption. The Trusts simply did not plead as to the intention of the Husband in their Defence. With respect to the transfers from Cotor into the Genus Trust (that is, to Counselor as trustee of the Genus Trust), the relevant intention was that of Cotor or, more properly, of the Husband given that Cotor had been found to be the Husband's alter ego.

187. In the skeleton argument on behalf of the Trusts, Mr Brodie QC advanced the case that there were no indications to Walch & Schurti that the Wife could have any claim to the Husband's assets and that the Trusts believed that the assets were being protected from former business partners. This was not a case which was pleaded by the Trusts. Their case rested upon the note of the meeting held on 20 July 2016 between Mr Kerman and Drs Schurti (acting on behalf of WalPart) and Blasy (acting on behalf of Walch & Schurti). The note of the meeting was one of the very few documents which the Trusts chose to produce voluntarily in the Liechtenstein criminal proceedings, and, in these proceedings, they failed to

disclose other communications with Mr Kerman, the Husband, and Temur as required by this court's orders.

188. At the meeting on 20 July 2016, as set out in the note, Mr Kerman explained inter alia that:

a) Mr Kerman had a client, the Husband, a Russian national who had accumulated assets in excess of US$1 billion. He had four children and in 2013 he had transferred a portion of his assets into a discretionary trust governed by the law of Bermuda. Mr Kerman was the director of a Cypriot company which was the trustee. Some of the trust assets were currently held by two Panamanian companies.

b) The trust had been set up at the suggestion of UBS so that the Husband might have *"some succession planning"*.

c) As to the reasons for considering a move of the trust structure to Liechtenstein, Mr Kerman said that *"asset protection is also one reason in this case why the discretionary trust should perhaps be moved to Liechtenstein – before [the Husband] could sell his shares in Northgas for more than USD 1 billion, there was acrimonious litigation between [the Husband] and Gazprom lasting many years. Although the litigation ended in settlement, one might reasonably presume that [the Husband] made an enemy or two during its course, according to Mr Kerman. Mr Kerman stated that he advised [the Husband] in this litigation. In principle, the litigation was finally concluded in 2012, according to Mr Kerman. However, [the Husband] has had the unfortunate experience of Gazprom simply failing to abide by a settlement, which, in the case in question, was concluded in 2005. According to Mr Kerman, the assets should therefore be moved to a jurisdiction in which they are safe in particular from [the Husband's] former business partners and former opponents in litigation."* Mr Kerman also explained that a key motive for any move was that the Husband was dissatisfied with the Panamanian service providers.

d) As to [the Husband's] family situation: *"Mr Kerman explained that [the Husband] was divorced and had four children. Three of the children are already adult; two live in the UK and one, in the USA. The youngest child is only four and lives with [the Husband] and his new wife. According to Mr Kerman, the four children would definitely not be suitable as protectors. Although [the Husband] divorced his now ex-wife in Russia, she nonetheless launched new divorce proceedings in England just a few months after [the Husband] became a billionaire through the sale of Northgas. The second set of divorce proceedings were launched after the Bermuda trust was set up."* Mr Kerman provided a copy of the Husband's passport which confirmed that he had been divorced from the Wife on 29 August 2000 by order of a Moscow court.

189. The Trusts asserted, relying on the note, that there was no reason for Walch & Schurti to doubt the fact that the Husband was already divorced. They also maintained that there were no indications that the Wife could have any claim to assets and/or companies that were already in trust.

190. Putting to one side that this case has not been pleaded, the Trusts did not call the makers of the note - that is Dr Schurti and Dr Blasy (their own officers) - to give evidence in these proceedings. They advanced a positive case based on the note and it was surprising that I was not asked to hear witness evidence from those key individuals. No explanation was provided as to why those key individuals were not called to give evidence before me. Furthermore, the note was one of the very few documents which the Trusts chose to produce voluntarily in the Liechtenstein criminal proceedings. They failed to give disclosure of other communications as required by this court's orders and, therefore, I treat with considerable caution a case based on a single document produced from their records without giving full and proper disclosure.

191. The note expressly referred to the fact that the Wife had launched new divorce proceedings in this jurisdiction. I regard it as implausible to suppose that sophisticated lawyers such as Dr Schurti and Dr Blasy would not have been on notice that the Wife would be making claims to the assets which were being transferred to them at the Husband's behest and which represented the vast bulk of the proceeds from the sale of Northgas.

192. Finally, the case advanced by the Trusts did not provide them with any defence. The relevant intention with respect to the transfers into the Genus Trust was that of the Husband.

193. The evidence that the Husband's purpose in transferring the Monetary Assets into Liechtenstein Trusts was to place those assets beyond the Wife's reach was overwhelming. In his oral evidence, Temur admitted that the purpose of the Liechtenstein schemes was to put assets beyond the Wife's reach. It was clear that he was working closely with his father at the relevant time and was therefore in a good position to give this evidence. I note that he was not cross-examined by the Trusts to challenge his evidence in this regard. His answers in re-examination demonstrated that the Trusts were little more than the Husband's piggybank. Temur stated that his father would still have been able to pay the amount awarded by Haddon-Cave J in December 2016 and, if he had done so, would still have had a lot of money. That evidence demonstrated the reality that the Trusts effectively held assets to the Husband's order.

194. Even if I put the evidence of Temur - with all its evident difficulties - to one side, the documentary evidence spoke for itself. I note that, on behalf of Temur, Mr Levy QC said this: *"[The Husband] … put into effect various schemes, the latest version being, as I understand it, the Liechtenstein schemes, with an express purpose of ensuring assets were kept as far away from My Lady's reach as possible. You would have to be mad to read the papers in any other way. It's impossible"*.

195. Drawing on the documentary material, the following emerged:

a) The Husband was unwilling to meet his liabilities to the Wife. As Mr Kerman summarised to Temur on 14 July 2015, the Husband *"has made it clear that he is unwilling to give [the Wife] the sort of capital sum that she is looking for and which the English courts would award her."*

b) The Monetary Assets held by Cotor were not thought safe in the long term because the Swiss courts could enforce an English court order if, in Mr Kerman's view, the Wife's lawyers went about it the right way. He warned that the Husband would be constantly exposed to the risk of her lawyers obtaining English court orders which could be enforced against his UBS accounts and his assets. Switzerland was thought to be unsafe because it is a party to the Lugano Convention, under which the Wife could enforce an English judgment.

c) The Middle East Schemes in 2015, described earlier in this judgment, demonstrated that the Husband had long intended to transfer the Monetary Assets into structures and banks located in a country which would not enforce an English judgment.

d) The Monetary Assets had been with UBS in Switzerland for many years and the only reason for the Husband to move the structures and funds to Liechtenstein was because that was a country which would not enforce English judgments or orders. There was no other connection with Liechtenstein or any other reason why the Husband might suddenly have wanted to move all his wealth there.

e) The timing was striking. The relevant steps were taken in the weeks immediately leading up to and during the trial of the Wife's financial remedies application in England. Thus, the Genus Trust was established on 12 October 2016, about seven weeks before the final hearing commenced; and the overwhelming majority of the funds were transferred from Cotor's bank account into the Genus Trust on 1 December 2016, in the middle of the final hearing.

f) Additionally, the Husband transferred not only the Monetary Assets into Liechtenstein trusts but also the Yachts and the Artwork. As he had previously attempted with the UAE, the Husband moved almost all his assets into structures which would prevent the Wife enforcing an English order.

g) As an alternative, in the event that the assets could not be moved to Liechtenstein in time, Temur had proposed that they be transferred to Mirabaud. That financial institution had plainly been identified and cultivated as part of the asset protection strategy, and a transfer to it - located in the UAE - was an alternative to Liechtenstein because such a transfer would put the Husband's assets beyond enforcement.

h) Though the Husband had appeared by counsel at the prehearing review of the Wife's claim before Moor J on 25 October 2016, he then ceased to participate in the proceedings. In breach of his duty of full and frank disclosure, the Husband did not reveal the establishment of the Genus Trust or the transfer of the Monetary Assets into it. I can properly infer that he was deliberately seeking to conceal the existence of the Trust and the whereabouts of the Monetary Assets because his aim was to prevent the Wife obtaining effective relief at the final hearing.

196. I am satisfied that the above demonstrates that the Husband's purpose in transferring the Monetary Assets into Liechtenstein trusts was for the purpose of putting assets beyond the Wife's reach and/or frustrating or impeding the enforcement of any order made by an English court.

The Purpose of the Subsequent Transfers

197. The Wife submitted that the subsequent transfers to the Arbaj Trust, the Longlaster Trust, the Ladybird Trust and the Carnation Trust had the prohibited purpose of moving assets beyond the Wife's reach and/or frustrating or impeding the enforcement of an English court order. Those further transfers took place in circumstances where the Wife had been able to discover some information about the original Liechtenstein structures from her cross-examination of Mr Kerman and where she was beginning to take steps in Liechtenstein to freeze and recover the assets.

198. The Trusts did not advance any case that the transfers from the Genus Trust to the other trusts were not intended, at least in part, to make enforcement of the English judgment - of which they were then aware - more difficult.

199. The evidence before me demonstrated the following:

a) Each transfer took place at a time when Counselor and Sobaldo knew that the Wife (a) was seeking to attack the transfer of the Monetary Assets into Liechtenstein (though she wrongly thought at that time that they had been transferred into Qubo 1 and Qubo 2) and (b) was seeking to freeze and recover assets in Liechtenstein. The inference, that the decision to make the transfers was triggered by the trustees' knowledge that the Wife was seeking to freeze and recover the Monetary Assets, can be readily drawn.

b) The establishment of the Longlaster Trust - to receive the Monetary Assets from the Genus Trust - took place on the same day as, and mirrored, the establishment of the Navy Blue Trust (to receive the Yacht from the Simul Trust). Given Dr Schurti's admission that the Navy Blue Trust was established to shield the Yacht from further attempts by the Wife to enforce the English orders, it was an obvious inference that the Longlaster Trust was established to achieve precisely the same objective in respect of the Monetary Assets.

c) There was no other credible explanation as to why the Monetary Assets were moved from the Genus Trust and then laundered through numerous (but apparently materially identical) trusts over a short period of time. No alternative legitimate explanation has been identified for those transfers.

d) Very large sums of money were simply moved through the Liechtenstein trusts and then returned to the Husband's personal bank accounts within a relatively short period of time. The Wife submitted that there was a very strong inference that the Liechtenstein Trusts served no legitimate purpose but were simply interposed to hold the Monetary Assets until the Husband required them for his own use and/or for the purposes of layering, that was to make it harder for the Wife to discover where the money had gone and recover it.

200. Having considered material available to me, I am satisfied that the subsequent transfers had the prohibited purpose identified in paragraph 186 above.

Relief sought by the Wife

201. With respect to the Genus Trust, the Wife submitted that the conditions for relief were established. Pursuant to s.423 IA, the transfers were made for no consideration and were gratuitous settlements into the Trust. No party suggested that any consideration was paid and the criminal investigation in Liechtenstein has not unearthed either any consideration paid by the Genus Trust to Cotor or indeed the existence of any assets which the Genus Trust could have paid to Cotor. Cotor's purpose - being that of the Husband - was to put assets beyond the Wife's reach.

202. With respect to s.37 MCA, Cotor can be treated as the *"other party to the proceedings"* because it was the alter ego of the Husband. The relevance intention was presumed under s.37(5) MCA because the transfer in December 2016 took place less than three years before this application was made on 19 July 2019 and had the consequence of frustrating or impeding enforcement. Neither Counselor nor Sobaldo advanced any positive case to rebut that presumption. The disposition was not made for valuable consideration to a person who, at the time of the disposition, acted in good faith and without notice of any intention to defeat the claim for relief. Counselor made no effort to demonstrate its good faith.

203. The Wife submitted that I should set aside the transfer and grant a money judgment requiring Counselor as trustee of the Genus Trust to pay the Wife the sum received from Cotor, the best estimate of which is US$650 million. I note this was the estimate given by Mr Kerman when cross-examined in December 2016.

204. As to the Arbaj Trust, the Longlaster Trust, the Carnation Trust, and the Ladybird Trust, the Wife submitted that consequential relief could be granted against each of these trusts under s.423 IA and/or s.37 MCA on the basis that they were subsequent recipients of the funds improperly transferred by Cotor to the Genus Trust. In the alternative, relief could be granted pursuant to s.423 IA because (a) the further transfers were made for no consideration - they were settlements into new trusts - and no evidence has been provided of any consideration having been paid; and (b) the purpose of each transferor was to put the relevant funds further beyond the Wife's reach.

205. The Wife submitted I should grant relief in the amount of the sums received by each of those trusts, being:

    a) US$36,624,946, CHF 4,000,000 and £1,000,000 in respect of the Arbaj Trust (joint and several liability with the Genus Trust to avoid any double recovery);

    b) US$546,735165 in respect of the Longlaster Trust (joint and several liability with the Genus Trust to avoid any double recovery);

    c) US$46,752,468, £128,000, CHF 1,287,078.50 and 76,918 euros in respect of the Ladybird Trust (joint and several liability with the Genus Trust and Longlaster Trust to avoid any double recovery); and

d) US$455,363,485 and CHF 10,000 in respect of the Carnation Trust (joint and several liability with the Genus Trust and Longlaster Trust to avoid any double recovery).

Counselor and Sobaldo's Defence

206. Counselor and Sobaldo defended the Wife's claim on the following grounds:

a) there was insufficient connection with this jurisdiction to justify the exercise of powers under s.423 IA and/or s.37 MCA;

b) it would be oppressive and/or unreasonable to make an order against Counselor and Sobaldo because they were prohibited from transferring assets to the Wife under Liechtenstein law and/or due to the binding advice given by the Liechtenstein District Court on 13 November 2019, and compliance with such an order would give rise to a real risk of prosecution in Liechtenstein;

c) the order would have exorbitant extraterritorial effect because it would relate to Liechtenstein entities in respect of assets lodged in Liechtenstein in circumstances where such an order could not be enforced in Liechtenstein;

d) the Wife had no standing as a victim because she was not capable of being prejudiced by the asset stripping of Cotor; and

e) any relief should be limited to paying the Monetary Assets back to Cotor in Switzerland.

207. The astute will have noted that the matters listed at (a) to (c) above were arguments that I have previously rejected in my judgment under neutral citation [2020] EWHC 2235 (Fam). Moylan LJ dismissed Counselor and Sobaldo's applications for permission to appeal as being without merit or totally without merit. The refusal of permission specifically noted that *"orders are frequently made in personam which require the transfer or other disposition of assets overseas. Further section 423 has extra-territorial effect… There is no prospect of the Court of Appeal deciding that the orders made in this case should not have been made either on the basis of exorbitant extra-territoriality or futility"*.

208. I have considered the written and oral arguments advanced by both the Wife and Counselor and Sobaldo with care and I readily acknowledge the skill and subtlety with which the submissions of the Trusts were made by Mr Brodie QC. My determination with respect to the defences advanced by Counselor and Sobaldo should be read alongside my August 2020 judgment.

Insufficient Connection/Exorbitant Extraterritorial Effect

209. It was common ground that there needed to be a *"sufficient connection"* to this jurisdiction before the court could consider whether to exercise the s.423 IA jurisdiction. Though not binding on these respondents, Haddon-Cave J concluded in his April 2018 judgment, in relation to other transfers to Liechtenstein, that *"sufficient connection is established in this case by the fact that the transfers were deliberately effected to evade an English claim brought by the spouse of the*

transferor who was resident in England". The Trusts asserted that there was no connection to this jurisdiction because (a) Counselor and Sobaldo were not resident in England, (b) conducted no business in England, (c) none of their directors was resident in England, (d) the Monetary Assets were not in England and had never been in England, and (e) the transfer of the Monetary Assets took place outside England and between foreign corporations. The essence of their case was that sufficient connection needed to be demonstrated between the defendant and this jurisdiction before the court could consider whether to exercise its jurisdiction. In that regard they relied on In re Paramount Airways Ltd [1993] Ch. 223 at [239]-[240] per Sir Donald Nicholls VC and AWH Fund v ZCM Asset Holding [2019] UKPC 37 at [41] and [55].

210. In Paramount Airways, the court stated the following at [240C-E]:

"Thus in considering whether there is a sufficient connection with this country the court will look at all the circumstances, including the residence and place of business of the defendant, his connection with the insolvent, the nature and purpose of the transaction being impugned, the nature and locality of the property involved, the circumstances in which the defendant became involved in the transaction or received a benefit from it or acquired the property in question, whether the defendant acted in good faith, and whether under any relevant foreign law the defendant acquired an unimpeachable title free from any claims even if the insolvent had been adjudged bankrupt or wound up locally. The importance to be attached to these factors will vary from case to case. By taking into account and weighing these and any other relevant circumstances, the court will ensure that it does not seek to exercise oppressively or unreasonably the very wide jurisdiction conferred by the sections."

In AWH Fund Ltd, the Privy Council accepted that, as Sir Donald Nicholls held in Paramount Airways, there needed to be some connection between the jurisdiction of the court giving leave for service out of the jurisdiction, in that case the courts of The Bahamas, and the respondent on whom service was ordered.

211. AWH did not assist Counselor and Sobaldo. In that case, the defendant (ZCM) was Bermudan, but the Privy Council found that there was a sufficient connection with the Bahamas (not Bermuda) because the natural place for winding up proceedings was in the Bahamas. The test set out in Paramount Airways when applied to the circumstances of this case readily led to the conclusion that there was a sufficient connection between Counselor and Sobaldo and this jurisdiction. First, the facts demonstrated that the Trusts dealt with assets in the knowledge of pending proceedings in this jurisdiction. Second, the Trusts could not rely on the fact that they had no connection with England given that the transfer of assets to Liechtenstein was an inherent part of a wrongful scheme. In Dornoch v Westminster International [2009] 2 CLC 226, Tomlinson J granted relief against a Nigerian company in respect of the transfer of a ship registered in the Netherlands and physically located in Thailand on the basis that it had been intended to defeat a claim in England, noting that the fraudster could hardly rely on the fact that the recipient of the assets had no connection with England given that this fact was an inherent part of the wrongful scheme. That applied in this case too. Third, the Trusts did not advance a plausible good faith defence.

212. I am quite satisfied that there was a sufficient connection with this jurisdiction, in that the transfers to the Trusts were deliberately effected to evade an English claim brought by the Wife who was resident in England.

213. Turning to the submission of exorbitant extra-territorial effect, the Trusts set out their argument that the court should not exercise its power exorbitantly and contrary to international law in respect of assets located abroad. It was an argument which I considered in detail in my August 2020 judgment and rejected.

214. The Trusts placed significant reliance upon SAS Institute v World Programming [2020] EWCA Civ 599 in which the Court of Appeal reiterated the importance of not making orders with exorbitant extra-territorial effect in respect of property located abroad. I considered that judgment in detail in [68]-[72] of my August 2020 judgment as follows:

"68 The Court of Appeal in SAS v WPL has given very recent guidance on the territorial enforcement of judgments. In SAS v WPL the court was concerned with whether an anti-suit injunction against SAS (an American company) should be continued. That injunction restrained SAS from taking steps to obtain orders from courts in the United States requiring WPL (a UK company) to assign debts owed to WPL from its customers either now or in the future and to turn over to a United States Marshal payments from customers which it had already received. Those orders would apply to debts owed from WPL customers anywhere in the world except the United Kingdom. The dispute between these two companies had a long history including an action brought by SAS against WPL in this country in which SAS's claims were dismissed; a decision by WPL to submit to the jurisdiction of the court in North Carolina and to fight the action there on the merits; a judgment in favour of SAS from the North Carolina Court; an attempt by SAS to enforce the North Carolina judgment in this jurisdiction which failed; and a judgment from the English court in favour of WPL which SAS had chosen to ignore. The Court of Appeal decided that the widely drawn injunction prevented SAS from seeking an order for the assignment of debts due from WPL customers in the United States. These were debts situated in the United States and there was no good reason why the English court should seek to prevent SAS from enforcing the North Carolina judgment against United States assets of WPL. To do so would itself represent an exorbitant exercise of jurisdiction by the English court contrary to the principles of comity. However, the court granted a menu of injunctive and other relief with respect to debts due from WPL customers elsewhere and in this jurisdiction. Males LJ gave the leading judgment.

69. In paragraph 64, he observed that "it is recognised internationally that the enforcement of judgements is territorial. When a court in State A gives judgment against a defendant over whom it has personal jurisdiction, it is for that court to determine in accordance with its own procedures what process of enforcement should be available against assets within its jurisdiction. But for a court in State A to seek to enforce its judgment against assets in State B would be an interference with the sovereignty of State B…" He cited with approval the principles deriving from the decision of the House of Lords in Societe Eram Shipping Co Ltd v Cie International de Navigation [2003] UKHL 30, [2004] 1 AC 260. In that case, the House of Lords held that it was not open to

the English court to make a third party debt order against a debt situated in Hong Kong which infringed Hong Kong sovereignty. Though the court had personal jurisdiction over the judgment debtor, it did not have subject matter jurisdiction over the debt due from the bank situated in Hong Kong. That was fatal to the application for a third- party debt order.

70. In paragraph 70, Males LJ held that:

"70. It is important to note that these principles do not depend upon the nature of the claim or the nature of the loss suffered upon which the court in State A adjudicates. They are concerned with the location of the assets against which enforcement of that judgment is sought. It is, therefore, nothing to the point that the conduct of which the claimant complains occurred, or the losses which it suffered were incurred, in State A where the trial on liability takes place. Those matters may justify the exercise of personal jurisdiction over the defendant by the courts of State A if the defendant is resident elsewhere, but do not confer enforcement (or subject matter) jurisdiction on the courts of State A over assets located in other jurisdictions."

71. Thus, English courts will, in some circumstances, make an enforcement order against a defendant over whom there is in personam jurisdiction which affects property situated abroad. But they will only do so subject to such orders being recognised and enforced by the courts in the state where the property is situated. In this way English courts ensure that their orders do not have exorbitant effect and do not infringe the sovereignty of the state concerned [paragraph 74]. So, an in personam order against a person/entity subject to English jurisdiction may be contrary to international comity because of its extra-territorial effect, in which case it would not be permissible to make such an order as a matter of international law.

72. The distinction between in personam orders which did infringe these principles and those which did not was to be determined by having regard to the following: (a) the connection of the person who was the subject of the order with the English jurisdiction; (b) whether what they were ordered to do was exorbitant in terms of jurisdiction; and (c) whether the order had impermissible effects on foreign parties (see paragraph 79, quoting Lawrence Collins LJ in paragraph 59 of Masri v Consolidated Contractors International (UK) (No.2) [2008] EWCA Civ 303, [2009] QB 450)."

215. First, SAS Institute concerns itself with enforcement and there was no suggestion the prior money judgment itself had improper extraterritorial effect. Second, in [99] of my August 2020 judgment, I held that it was crucial to note that SAS Institute was not authority for the proposition that a court could not determine liability against a respondent who had submitted to this court's jurisdiction but whose assets were situated abroad. However, the enforcement of this court's eventual orders arising from the determination of liability might be circumscribed in the manner described in SAS Institute if those assets were situated elsewhere. Third, the Court of Appeal refused permission to appeal on that very question observing that *"[the Judge] was plainly right to say that there is a clear distinction between adjudication and enforcement. Her understanding of comity was not flawed and her decision does not conflict with [SAS Institute]… She was*

entitled to decide for the reasons she gave, that… it would not be exorbitant to determine the applications". Fourth, the Trusts have not identified a single case where a court has declined to grant a money judgment because the respondent's assets were located abroad. This is because there is no principle that an English court cannot adjudicate upon a liability, arising under English law, against a defendant over whom it has personal jurisdiction and who has submitted to the jurisdiction simply because that defendant's assets are abroad. A money judgment does not in and of itself affect any asset. However, whether and how any particular asset can be seized to satisfy that liability only arises at a later stage. This trial was concerned the first and not the latter stage.

216. It follows that I remain satisfied that the relief I may grant does not have exorbitant extra-territorial effect.

217. Further, Counselor and Sobaldo submitted that the unenforceability of any order in Liechtenstein meant that it would be futile for the court to make any order and should not do so. This court should make practical orders which stood the best chance of being recognised and enforced in the jurisdiction in which it was intended to seek enforcement.

218. In my August 2020 judgment, I rejected the futility argument in [100], finding that it was misconceived to argue that this court should refuse to determine matters properly before it simply because it might be necessary to take steps to enforce any relief granted abroad. The Court of Appeal agreed, specifically holding that I was plainly entitled to decide that the alleged futility of the proceedings or any orders which might be made did not justify the proceedings being stayed, including because there would or might be real advantages to the Wife of a judgment.

219. In closing argument, Mr Brodie QC withdrew any reliance by the Trusts on the submission that it would be futile to make an order which was not capable of direct enforcement in Liechtenstein. Though he made that concession, I deal with the futility issue for the sake of completeness.

220. The Trusts failed to identify a case where the court refused to grant a money judgment on grounds of futility, whether because the defendant said he has no assets and could not pay; or the defendant's assets were located in a jurisdiction which would not enforce an English judgment; or the defendant would be prevented from paying by the law of his *"home"* jurisdiction. The cases relied upon by the Trusts in [112] of their skeleton argument were misplaced. Goyal v Goyal (No 2) [2016] 4 WLR 170 concerned a pension adjustment order, that is an order purporting to vary the terms of a foreign pension trust. Hamlin v Hamlin [1986] Fam 11 was a case concerned with foreign real property and, therein, the proposition that, as a matter of discretion, the court will not make an order which depends for its effectiveness on recognition abroad, may well be relevant if the court was seeking to order the transfer of particular property located abroad. It had no application to a money judgment. In Goldstone v Goldstone [2011] 1 FLR 1926, the court reminded itself to pause before exercising extra-territorial jurisdiction and then made an order where there was a clear prima facie case that the foreign party was an asset manager complicit with a husband whose financial affairs were before the court in financial remedy proceedings.

221. Though it is well established that the court is not in the business of making futile orders, the Trusts' reliance on Re MM (A Patient) [2017] EWCA Civ 34 did not really assist their argument. At [13], the President (Sir James Munby) restated the long established principle that *"the starting point is that the courts expect and assume that their orders will be obeyed and will not normally refuse an injunction because of the respondent's likely disobedience"* and that *"the normal approach of the court when asked to grant an injunction is not to bandy words with the respondent if the respondent says it cannot be performed or will not be performed. The normal response of the court is to say: the order which should be made will be made and we will test on some future occasion, if the order which has been made is not complied with, whether it really is the case that it was impossible for the respondent to comply with it"*. He noted that there was a sound practical reason why the court should adopt that approach, as otherwise the court would simply be giving the potentially obdurate an opportunity to escape penalties for contempt by persuading the court not to make the order in the first place. I accept the submission made by Mr Willan that the court does not simply throw its hands up in the face of a determined *"asset protection"* strategy and accept that a fraud on its processes has been successful. Instead, it makes whatever orders it can and gives the applicant the best opportunity to try to enforce its judgment.

222. In any event, the order sought by the Wife would not be futile but would be extremely useful to her. First, an order from this court would entitle the Wife to a payment order in summary proceedings in Liechtenstein. The Trusts may file a disallowance claim, though that is not inevitable because the trustees will have to consider (a) the reasoning in this court's judgment and (b) whether a Liechtenstein court would be likely to reach a different decision. By obtaining a payment order, the Wife would avoid paying a deposit of up to perhaps CHF 3 million. That would be a significant practical benefit, not least because the requirement to fund up to CHF 3 million for several years represents a severe hurdle to the Wife's ability to litigate in Liechtenstein. Thus, a judgment, yielding a significant practical benefit, cannot be described as futile. As Arden LJ said in Dadourian Group International Inc v Simms and others (Practice Note) [2006] EWCA Civ 399, *"the court must be astute to see that there is a real prospect that something will be gained"* (at [35]). Here, the gain to the Wife is obvious.

223. Second, the Wife could seek an anti-suit injunction to prevent the filing of a disallowance claim. Whilst that injunction might not be enforceable in Liechtenstein, it would be enforceable by committal in England. In Masri (No. 3) [2009] QB 503, a respondent had voluntarily submitted to the jurisdiction of the English court but then sought to commence foreign proceedings to relitigate the merits to block enforcement of the resulting judgment. The Court of Appeal, whilst observing that caution was required before granting an injunction which involved an indirect interference with the foreign court, upheld the decision by the judge at first instance to grant the anti-suit injunction. The Court of Appeal held that this was a case in which the defendants were seeking to relitigate abroad the merits of a case which, after a long trial, they had lost in England. This was a classic case of vexation and oppression and of conduct designed to interfere with the process of the English court in litigation to which the defendants had

submitted (at[94]-[95]). Those observations by the Court of Appeal may be thought to have some resonance in these proceedings.

224. Third, I have already held that this court was entitled to determine the liability of Counselor and Sobaldo in the expectation that, in accordance with comity, the Liechtenstein court would have regard to that order. The Trusts are bound by that finding against which Moylan LJ refused permission to appeal. I note that, when previously giving guidance to the trustees, the Lichtenstein District Court made clear in November 2019 that its guidance was *"with the proviso that compliance with this by the trustees is accepted by the English court"*. It also made clear that, merely because an English judgment was not enforceable in Liechtenstein, it did not follow that it had no importance and could simply be ignored by the trustees. In my view, that guidance demonstrates that, in accordance with comity, the Liechtenstein court will consider this court's judgements and orders. In accordance with the evidence of Dr Wenaweser set out in my August 2020 judgment, the Liechtenstein trustees may go back to the Liechtenstein District Court for new advice based on new facts if I order them to pay the Wife substantial sums.

225. Finally, I do not know whether all the Liechtenstein Trusts' assets are located in Liechtenstein. Given that Counselor and Sobaldo have refused to comply with my asset disclosure order, it ill behoves them to make written submissions about the location of those undisclosed assets.

Alleged Risk of Prosecution

226. Counselor and Sobaldo submitted that an order requiring them to transfer assets, situated in Liechtenstein and held under Liechtenstein law, would require them to act in ways which would be contrary to Liechtenstein law and would expose them to a real risk of prosecution under the criminal law of Liechtenstein. If Counselor and Sobaldo transferred the Monetary Assets to the Wife in circumstances where her entitlement under Liechtenstein law was uncertain and without the sanction of a Liechtenstein judgment, then they would face the real risk of being prosecuted for a criminal offence in Liechtenstein. That real risk was a powerful reason not to make the order sought by the Wife.

227. At the August 2020 hearing I heard oral evidence from three experts in Liechtenstein law. The evidence with respect to the risk of criminal prosecution is summarised in [48] to [54] of my August 2020 judgment. I reproduce it as follows:

"48. Section 153 of the Liechtenstein Criminal Code reads as follows:

1) Anyone who knowingly abuses his authority to dispose of another's property or to oblige another to do so, thereby damaging the other person's property, shall be punished by imprisonment for up to 6 months or a fine of up to 360 daily rates.

2) Anyone who unjustifiably violates rules which serve to protect the assets of the beneficial owner is abusing his or her authority.

3) Anyone who causes a loss exceeding CHF 7,500 through the act shall be punished with a custodial sentence of up to 3 years, and anyone who causes a loss exceeding CHF 300,000 with a custodial sentence of between one and 10 years.

49. According to Dr Wenaweser, the abuse must be "knowing" that is, certain and must be unjustified by any reasonable argument. There must also be an intention to cause harm. That intention is established if the fiduciaries foresee that damage will arise, resign themselves to that risk, and decide to proceed in any event.

50. Dr Wenaweser said that a breach was "unjustifiable" if it were outside the range of what could reasonably be argued by a prudent man of business. He considered that the suggestion that assets should be transferred in the current circumstances of this case would be incomprehensible to any professional man of business. If the directors of the establishments were in doubt as to the position of the creditor such as the Wife, it was obvious that they must not transfer assets.

51. Dr Wenaweser opined that a debt does not need to be 100% likely and thus a prudent man of business could exercise his own judgment. He agreed with Mr Willan that, if a director received a foreign judgment, what they had to do was to consider it and decide whether, as a prudent man of business, the sensible course was to fight the judgment and relitigate the issues (taking into account the prospects of success and the risks to which they would expose the establishment by not complying with the order), or whether to accept it and pay it. Given that the Liechtenstein legal system did not recognise and enforce foreign judgments, Dr Wenaweser noted that the prudent man of business would consider whether the outcome of the litigation in Liechtenstein would be the same if the matter was relitigated in that jurisdiction. If that were the conclusion, it would make no sense to force relitigation in Liechtenstein as this would incur unnecessary costs. The key issue was not whether the liability was enforceable in Liechtenstein but whether a prudent man of business would pay, this being the question of judgment for the directors. The business judgment rules undoubtedly applied to establishments according to Professor Dr Brandstetter. Although Professor Dr Zollner told me that this rule would not apply to a decision to transfer assets to the Wife because this was a matter of law rather than judgment, I prefer the evidence of Professor Dr Brandstetter and Dr Wenaweser on this issue given the former's knowledge of the relevant criminal law and the latter's experience as a practising lawyer in Liechtenstein.

52. According to Dr Wenaweser, the director of an establishment was not required to act contrary to foreign criminal laws, but a threat of quasi criminal contempt proceedings in a foreign jurisdiction did not provide a defence and could not be taken into account. However, Professor Dr Brandstetter stated that the director was entitled to, and indeed should, take into account the risks under Liechtenstein criminal law and, in that regard, the fact that there was a criminal investigation presently afoot in that jurisdiction was centrally important.

53. An establishment could, in appropriate circumstances, satisfy an obligation under foreign law even if that obligation were not enforceable in Liechtenstein, for example a tax liability in this jurisdiction. However, according to Dr Wenaweser, an establishment would always need to take account of the specific circumstances. Where there was a clear disagreement with respect to the underlying facts (in this case, the liability of the establishments) payment should not be made.

54. Dr Wenaweser told me that there had not been a single case of a person being prosecuted for breach of section 153 by complying with a foreign judgment. Professor Dr Brandstetter noted that Liechtenstein operated a principle of mandatory prosecution so, where a public prosecutor receives evidence of an offence against the Criminal Code, there is a mandatory requirement to prosecute."

228. It is plain from the above that the question was one of professional judgement for the directors of Counselor and Sobaldo. Mr Brodie QC submitted that, in the circumstances of this case, no prudent man of business would transfer assets to a third party absent an order of the Liechtenstein court. Additionally, it would be fanciful for this court to consider that such a professional judgement would be outside the range of what a prudent man of business could reasonably argue. Though Dr Wenaweser had not been able to identify a prosecution for breach of Section 153 following compliance with a foreign judgment, Mr Brodie QC submitted that this only emphasised that Liechtenstein trustees did not act in ways which would leave them open to criticism but acted prudently and in accordance with Liechtenstein judgments.

229. In his oral evidence, I note that Dr Wenaweser accepted that a trustee would have to consider the judgment of the English court and then make a judgement whether to pay according to the business judgement rule, bearing in mind that the key question was not whether the liability was enforceable in Liechtenstein but rather whether a prudent man of business would pay. It was only if paying the judgment would be outside the range of what could be reasonably argued by a prudent man of business that any question of criminal liability would arise. By placing undue emphasis on liability being enforceable in Liechtenstein law, Mr Brodie QC overstated in my view the test which the trustees would need to apply to any judgment emanating from this court.

230. The Trusts did not identify a single case when this court accepted that the inability to pay under a defendant's *"home"* law provided any defence to a money judgment. The Wife relied upon the case of Kleinwort, Sons & Co v Ungarische Baumwolle Industrie Acktiengesellschaft [1939] 2 KB 678 in which the Court of Appeal held that a Hungarian bank could not avoid judgment for a debt governed by English law on the basis that Hungarian law would prohibit payment. The Court of Appeal held that the argument was *"obviously absurd"* and led to *"preposterous results"*. Though the Trusts sought to distinguish Kleinwort on the basis that it involved payment of an English law liability in England, here the Wife sought a judgment requiring the Liechtenstein trusts to make payment under English law to a person who was resident in England. The questions of how and where a judgment in the Wife's favour can be enforced will arise at a later stage.

231. The trustees voluntarily submitted to the jurisdiction of this court in respect of the present claim. Having done so, and on the analysis of Liechtenstein law set out above, I find it hard to conceive that the trustees would commit a knowing - that is, certain - abuse (namely a violation of rules outside the range of what could be reasonably argued by a prudent man of business) with the intention to cause harm to the trusts if they complied with my judgment. Additionally, the advice from the Liechtenstein District Court in November 2019 did not impose any relevant restriction on the Trusts.

232. There were powerful arguments in favour of granting an order to the Wife against the Trusts. Having already concluded that such an order would not be futile, this court has a legitimate interest in enforcing its orders. There was also a strong public interest in ensuring that financial remedies orders following divorce are put into effect. Alongside those considerations, this court should take robust steps to ensure that its orders were not defeated by dishonest schemes and should discourage the use of such schemes in future by showing they will not be effective.

233. It follows that I was unpersuaded that the trustees would be at a real risk of prosecution if they were to comply with my judgment.

Wife: No Standing As Victim

234. This submission became the main focus of closing argument on behalf of the Trusts. Counselor and Sobaldo submitted that the Wife was not a victim for the purposes of s.423 IA because she was not capable of being a victim of the transaction which transferred the Monetary Assets from Switzerland to Liechtenstein. This was because the Swiss Court of Appeal held that the Wife could not enforce the order made by Haddon-Cave J against the Monetary Assets in Switzerland. As a result, the Wife did not and could not have suffered any prejudice when the Monetary Assets were transferred from Switzerland to Liechtenstein. In closing argument, Mr Brodie QC also submitted that the language of s.423 IA and s.37 MCA required restoration of the status quo ante as a condition of granting relief. Finally, he asserted that the grant of relief to the Wife would contravene the principle of comity because any award I might make in favour of the Wife would undermine the decision of the Swiss Court of Appeal.

235. In January 2017, the Wife sought to enforce the award against Cotor in Switzerland so far as the maintenance element was concerned. The Supreme Court in Switzerland in 2019 found that the financial remedies order was, in principle, enforceable, at least in part, under the Lugano Convention. It remitted some issues to the Zurich Court of Appeal for further determination. On 3 March 2020, the Zurich Court of Appeal dismissed the Wife's petition for a declaration of enforceability of the award. It held that Cotor had not been properly served when it was joined to the English proceedings and was deprived of making its own representations to dispute the finding by Haddon-Cave J that it was the Husband's alter ego. Because there had been no effective service of the proceedings on Cotor, the judgment against Cotor violated procedural *ordre public* and therefore could not be recognised under the Lugano Convention. I note that, under that Convention, the Wife could only ever have been entitled to

enforce in Switzerland the maintenance part of the award (at most £224 million) rather than the property consequences of the divorce. I was told by Mr Willan that there was an ongoing appeal in relation to the decision by the Zurich Court of Appeal and so it was simply unknown whether the order would or would not be enforceable in Switzerland.

236. The Wife challenged the submissions by the Trusts on the basis that this element of their defence had never been pleaded and so it was not open to them to advance it at trial. Had that case been pleaded, it was submitted that the Wife would have put forward evidence of the other routes through which she could have enforced against the Monetary Assets in Cotor's possession. The Trust's Defence was lodged on 21 February 2020 and, notwithstanding the decision of the Swiss Court of Appeal in March 2020, the Trusts had chosen not to amend their defence to take the point in these proceedings. Leaving aside this pleading point, it seemed to me that the case advanced by Counselor and Sobaldo lacked merit for more substantive reasons.

237. First, s.423 IA does not contain a causation requirement: if the purpose of a transfer was to put assets beyond the claimant's reach, it was not necessary to prove that the transfer in fact made enforcement more difficult. Second, it was not necessary for the court to restore the precise nature of the status quo ante before it could grant relief. Though s.423 directed the court to the purpose of the relief sought, the court has a very broad discretion as to remedy which must be fashioned by reference to the facts on the ground and subsequent developments with a view to achieving a just outcome consistent with the purpose of the Act. The very fact that s.425(1)(d) contains the power to order a direct payment to the creditor undermined the submission made by the Trusts that the literal restoration of the status quo ante was required before relief could be granted to the Wife.

238. With respect to s.37 MCA, the court enjoys a broad discretion to grant consequential directions pursuant to s.37(3) including against third-party recipients though the primary relief is an order setting aside the disposition, that is, voiding the disposition ab initio (s.37(2)(c)). In that respect, the relief available pursuant to s.37 is more circumscribed than that available pursuant to s.423.

239. In any event, the Wife was a *"victim"* of the transaction within the meaning of s.423 IA as she was a person who was or who was capable of being prejudiced by the transaction. Simply put, before the transaction, there was a respondent who would have been able to satisfy an award in favour of the Wife if its directors had chosen to do so. After the transactions, Cotor had compromised its ability to pay and therefore was unable to pay, whatever its directors might subsequently have decided to do. Thus, the transaction was clearly capable of prejudicing a person if it converted the respondent from an entity at least capable of paying its liabilities to an empty shell which was hopelessly insolvent. That was all that need be said about this submission.

240. Finally, Mr Brodie QC's comity argument failed to persuade me for this reason. The judgment of the Swiss Court of Appeal is concerned with whether the Swiss court will lend its aid to enforcement in Switzerland. The current position in that jurisdiction – though once more subject to challenge on appeal - is that the Swiss court would not lend its aid to enforcement by the Wife. That was irrelevant to

this court's jurisdiction and powers. The Wife sought an order that money transferred by the Husband's alter ego should be brought to England in satisfaction of the Husband's liabilities to the Wife. The making of that order would not undermine the order of the Swiss court or purport to grant enforcement within Switzerland itself.

Quantum of Award

241. First, Mr Brodie QC submitted that the claims against Counselor and Sobaldo should be capped at the lump sum of £350 million plus interest. The Wife submitted that Cotor's liabilities were £350 million by way of a lump sum and to transfer Artwork worth around £100 million. Thus, the total liability in monetary terms was £450 million. She submitted that, subject to terms to prevent double recovery in relation to other judgment orders that had been granted, there was no reason why the s.423 relief should not cover the totality of Cotor's liability to the Wife.

242. This submission only affected the figures in relation to the claim against the Genus Trust in paragraph 14 of the draft order sought by the Wife. All the other figures came to below the US dollar equivalent of £350 million plus interest, and all that would need to happen would be to reduce the figure of US$650 million to US$626 million, this being the equivalent of the sterling figure with Judgment Act interest.

243. Second, Mr Brodie submitted that the liability of the trusts should be reduced to the level of the assets they presently held, namely £64 million, taking into account the distributions to the Husband together with about US$300 million of investment losses made. This was not a submission pleaded by the Trusts and the Wife submitted that the Trusts could not rely on a bona fide change of position defence if it had not been pleaded and where the evidence to make it good had not been properly adduced and subjected to scrutiny.

244. Additionally, the Wife submitted that the Trusts had not acted bona fide. They had made distributions to the Husband because they were essentially an asset protection device that acted at his behest. The Husband wanted all the assets distributed to him once the Liechtenstein Trusts came under attack by the Wife and that was precisely what the trustees had done in order to keep those assets beyond the Wife's reach. Further, there was no evidence produced that the Trustees had taken independent investment decisions but, by investing in extremely aggressive oil futures, had done so at the direction of the Husband.

245. I have decided that I should reject the submissions as to quantum made by the Trusts. Importantly in this context, those submissions should have been properly pleaded for the reasons advanced by the Wife and were not. Further, no court should accede to a submission that it should limit the orders it makes to the assets which the Trusts still possessed when it was told in the next breath that the Trusts refused to tell the court the precise extent of their assets (though it was hinted that this was probably less than £64 million due to the falling value of investments in oil). Hiding behind the trustees' obligation to maintain confidentiality as to the management of the trust pursuant to Liechtenstein law whilst at the same time submitting, without proper evidential foundation, that the relief sought by the

Wife should be in greatly diminished amount struck me as having one's cake and eating it.

246. I thus grant judgment in favour of the Wife against the Liechtenstein Trusts as set out in paragraphs 14 to 19 of the draft order submitted by the Wife (see paragraphs 201-205 above).

The Claims Against Temur

247. The Wife asserted that Temur not only acted as the Husband's lieutenant in arranging the schemes to put assets beyond her reach and that he also personally received very substantial sums of money (aside from generous support for living expenses) from the Husband as part of those schemes.

Temur's Involvement with the Husband's Schemes

248. The Husband's schemes described earlier in this judgment demonstrated that his aim was to transfer all his assets away so that there would be no assets against which the Wife could enforce any judgment. That objective was achieved both by transferring assets into trusts for the benefit of the family and by giving assets to family members who could be trusted to ensure that those assets did not fall into the Wife's hands. Temur's involvement in those schemes was relevant to his knowledge and to what the Wife submitted was a lack of good faith.

249. During his cross-examination, Temur accepted that his father was endeavouring to put his assets beyond the Wife's reach and that he knew of those plans. By June 2015, Temur accepted that he understood his father was trying to put in place a structure to move his assets to make it very difficult for the Wife to enforce an English judgment. The contemporaneous documents demonstrated that he knew of and was involved in advancing his father's schemes from the end of April 2015 at the latest.

250. Temur also accepted that he understood the purpose of each of the schemes although he sought to persuade me that he did not understand the details. That knowledge extended to both the Middle East schemes and the Liechtenstein schemes. He agreed that he knew his father was unwilling to give his mother a sort of sum which she wanted and which the English courts would award to her.

251. Temur sought to present himself as a low-level functionary and someone who merely acted as a medium through which his father's instructions could be carried out. He also claimed to be wholly dependent upon the advice of lawyers and other professionals who he thought were advising on what was lawful and that he had no understanding that what he might be doing was for a fraudulent purpose. For the reasons outlined below, I reject those submissions.

252. The documentary evidence was largely limited to the period up to August 2015 because the documents obtained from Mr Henderson only covered the period up to the time when he was dismissed by the Husband. However, the other evidence before the court strongly suggested that Temur continued to play a leading role in his father's schemes after August 2015.

253. First, Temur was the primary contact for Mr Kerman who was the Husband's key lawyer in devising and implementing the schemes. Almost all the communications with Mr Kerman relating to the schemes were sent to or by Temur. It was plain that Mr Kerman regularly discussed the overall strategy with Temur as follows:

a) outlining the core strategy of *"attempting to safeguard all [the Husband's] assets by placing them in jurisdictions where it would be hard if not impossible for [the Wife] to enforce any English court order that she might obtain"*;

b) describing the efforts *"to put in place a structure in the UAE, where it would be difficult for your mother to enforce an English judgment"*;

c) making recommendations to engage in sham settlement negotiations with the Wife's divorce lawyers to delay the Wife obtaining enforcement orders and to *"buy your Father the time he needs to get the appropriate protections in place"*; and

d) advising that assets (such as the Artwork) should be physically moved to safe jurisdictions since *"if your Mother cannot physically get the pictures there is little that she can do about them"*.

254. Second, Temur was authorised to and represented the Husband in respect of his assets and the relevant transfers. He had authority to act on behalf of his father in dealing with the institutions holding or managing his father's assets, including UBS and Emirates NBD. He also gave instructions on behalf of the Husband, specifically in respect of the schemes including: (a) as to which banks should and should not be used as part of the Husband's schemes; (b) to make comparisons between all the banks and *"prepare then get ready to press the execute button by the end of next week maximum"* (email dated 7 July 2015); and (c) to transfer the Monetary Assets to the UAE as part of the strategy, including telling the Husband's lawyers *"Father says to move all ASAP"*.

255. Third, Temur's role went far beyond simply relaying instructions for his father. He was closely involved in devising and implementing the strategy of evasion. He had an active role in dealing with the banks and other financial institutions which were being used or being considered for use in the schemes. This included attending meetings in various countries with all the most important institutions involved including Emirates NBD, Mirabaud and the Qatari banks. He also dealt with the Liechtenstein trustees and met with them. In his disclosure statement, Temur accepted that he had had communications with Walch & Schurti about the *"relevant issues"* in these proceedings. He also used his own contacts to further the schemes, including to find potential banks who might be willing to participate and to try to overcome any problems with the banks selected. He took a lead role in working with the foreign lawyers who were establishing bank accounts and corporate structures, for example by attending an important meeting with Reed Smith (UAE) in Dubai in July 2015 to discuss the banking arrangements with Emirates NBD and the implementation of the security scheme. When the Husband sent important messages, he copied them to Temur, for example the instructions to transfer assets to Liechtenstein. Conversely, Temur frequently corresponded with lawyers and banks without copying his father into the emails

which might have been expected if Temur was nothing more than a glorified secretary sending messages on his father's behalf.

256. Fourth, Temur's role was best seen by reference to the development of the Mirabaud scheme (not in the end utilised). Mirabaud was willing to hold the Husband's assets to put them beyond enforcement of an English judgment and was also willing to enter into charges over his other assets as part of the security scheme. In that context, Temur played a pivotal role in making arrangements with Mirabaud. Thus, together with Mr Kerman and Mr Devlin, he met with representatives of Mirabaud on 29 June 2015 apparently without his father being present. He was also one of four people on the small distribution list (the others being Mr Kerman, Mr Devlin and Mr Henderson) trusted to receive information relating to the Mirabaud scheme. Such information was regarded as being of *"the utmost confidence"* because *"disclosure could put the whole operation in jeopardy"*. Temur was trusted to represent his father's interests without the emails even being copied to the Husband. Furthermore, when Mr Kerman met with the chairman of Mirabaud in July 2015, he reported the results to Temur and not to the Husband. A further meeting took place with Mirabaud in or around December 2015 when Mr Devlin reported to Mirabaud that *"however our client's (first) son [Temur] was sadly unable to attend our meeting as planned, meaning that the father would not make a final decision"*. When Mirabaud provided their proposals, Temur advised the Husband how they should respond, and the Husband replied to Temur *"You in charge"*.

257. Fifth, Temur was also involved in the transfer of assets to Liechtenstein. Thus, he corresponded with UBS in November 2016 relating to the transfer of assets to LGT in Liechtenstein. When there were difficulties transferring certain financial instruments from UBS to LGT in Liechtenstein in November 2016, Temur sent an email proposing, as an alternative, that they *"transfer the 3 futures contracts to Mirabaud along with cash collateral of USD 150 million"*.

258. Sixth, as he subsequently admitted in his oral evidence, Temur was perfectly aware of his father's overall scheme and was not unaware of what was really going on. At the time in September 2015, he himself described the strategy in colourful language when Mr Kerman suggested that the Husband could move his Monetary Assets to Singapore if he wanted to leave Switzerland but was not concerned about the Wife: *"If the Tatiana problem did not exist, my Father would not move his asset anywhere…!! […] He wants to MOVE OUT OF SWITZERLAND … CUT HER BALLS OF[F] … GET DIVORCED … POST NUPTIAL AGREEMENT… And be a FREE MAN"*. Temur pointed out to Mr Kerman in an email dated 13 September 2015 that the other reasons he had put forward for the transfers - that is, apart from solving the Tatiana problem - were not genuine but were only intended to be used to mislead the Wife and this court: *"All the reasons I gave you are excuses you could use to her lawyers/court"*. That statement made obvious that, despite his protestations, Temur knew that schemes were dishonest or at the very least that he acted in bad faith since there was no other reason why he would be providing false explanations for the transfers.

259. An email from the Husband to Temur (copied to others) on 5 October 2015 made it perfectly clear that all his assets would go to Temur and Edgar, but they needed

to manage and preserve them including from the Wife's divorce proceedings – from a *"mam attack"*. When cross-examined about this email, it was perfectly plain that Temur knew what he had to do to assist his father. In WhatsApp messages exchanged in March 2016, the Husband said: *"We should take all out and send her naxyj [ie fuck off]/ I will burn this moneys rather then will give her"*. Temur replied saying *"agree/ doesn't deserve $1 penny"*. In his oral evidence, Temur confirmed that he absolutely agreed with his father in every way because he thought it was totally wrong for his mother to ruin his life.

260. Seventh, Temur continued to support his father's schemes in recent years. His dealings with the Moscow Property demonstrated his continued role in assisting the Husband to keep his assets beyond the Wife's reach even after the judgment had been obtained (see relevant section of this judgment).

261. In his oral evidence, Temur accepted that he was willing to do anything to help his father protect the family's money. In the context of the Liechtenstein schemes, Temur admitted that he was *"always involved with my father to help him protect his assets"*. Temur could not have made his role more clear-cut and, accordingly, I find that he was, without doubt, the Husband's right-hand man and loyal lieutenant.

The Transfers: 2015-2016

262. The Wife contended that each of the payments to Temur of (a) US$7.5 million on 4 May 2015, (b) US$50 million on 25 August 2015, (c) US$5 million (via Avenger) on 17 May 2016, and (d) US$5 million on 8 June 2016, was made, at least in part, for the purpose of putting assets beyond her reach. The payments made were part of the Husband's strategy of protecting his assets for the benefit of the family (excluding the Wife). The submission on Temur's behalf that transferring assets to him made them more accessible to the Wife because Temur was resident in England did not reflect either the Husband's or Temur's thinking at the time. Both assumed that the Wife would not commence proceedings against her son, such that assets held by him were effectively safe from enforcement. Temur told me in his oral evidence that *"I did not ever conceive that my mother could start proceedings against me for money"*. Furthermore, in the context of the Moscow Property, Temur did consider that if assets were transferred to him, then his mother would not be able to take them because they would be in his name: *"... I still stick to the case that if my father wanted to put assets out of her reach, wouldn't it have been much easier for me just to complete this purchase of Solyanka, have it under my name and my mother wouldn't be able to take it"*. Finally, the fact that Temur received the shares in Solyanka Servis as part of a scheme to protect the Moscow Property demonstrated that the Husband considered that assets held by Temur would be beyond the Wife's reach.

263. Temur admitted that these transfers took place and that they were made for no consideration. Therefore, the issue before the court was whether the Husband's purpose in making those transfers was - at least in part - to put assets beyond the Wife's reach or to make it harder for her to enforce any judgment she obtained.

264. The Wife did not dispute that the Husband wished to benefit Temur by transferring significant sums of money to him and it was never part of her case that Temur simply held the money as nominee for the Husband. Her case was that it was at least part of the Husband's purpose to put the assets given to Temur beyond her reach. Pursuant to either s.423 IA or s.37 MCA, it was not necessary to show that the funds remained available to the Husband after their transfer to Temur. Had the assets remained under the Husband's control after the transfer, there would be no need for a claim against Temur because he would hold the assets as a nominee for his father. However, a claim can be brought where a debtor transfers his assets to a child because he would rather that his child had the benefit of those assets than his creditor. In those circumstances, even though there may be a genuine desire to benefit the child, part of the purpose of the transfer was still to put the assets beyond the reach of the creditor. This is precisely the position in Hashmi.

265. This court had no direct evidence of the Husband's intention in making these transfers to Temur because he refused to participate in these proceedings and because there was significant non-disclosure by Temur as to the relevant communications he had with his father. Doing the best I can, I must make an assessment - on the balance of probabilities - of the evidence available to me, taking into account the inherent probabilities and motives, and any inferences which it was appropriate to draw. I have reminded myself that I should look at each transaction/transfer at the time it occurred and that I should be careful not to conclude the existence of a relevant purpose if the transfer would have occurred in any event.

266. I have already described in some detail the evidence which laid bare the Husband's purpose when making the transfers (see paragraphs 23 to 59 above). It was beyond argument that the Husband's conduct during the relevant period was driven by an overarching desire to rid himself of all his assets so that the Wife could not enforce any claim against them, but would be forced to settle with the Husband on his terms.

267. Temur submitted that the payments made in 2015 and 2016 were made pursuant to an agreement reached in late 2013 that the Husband would pay sums to Temur so that he could invest these sums in stock market trading [the "Investment Purpose"]. On 12 December 2013, the Husband emailed Temur as follows: *"I remember that on you[r] 20 years anniversary what present (2.$) I have promised … This capital can be good start for you[r] own management experience!"*. The email was entitled *"My Present"*. On 7 January 2014, the Husband paid Temur US$2 million from his personal account and, again from his personal account, paid Temur US$3 million on 18 February 2014. In his oral evidence, Temur accepted that his father had given him US$2 million for him to invest (followed by the further sum of US$3 million). There did not appear to have been a discussion about an unlimited supply of funds for Temur to invest. No further payments were made to Temur until May 2015.

268. Mr Levy QC submitted that there was an inconsistency in the case advanced by the Wife as to which payments to Temur she impugned. He drew my attention to the fact that the monies paid to Temur in January and February 2014 were not claimed and that a payment of US$7.9 million on 9 July 2015 and of US$1

million on 2 December 2016 were not claimed by the Wife. He submitted the sums had not been claimed because the Wife recognised that these payments were for the Investment Purpose or, at the very least, were not informed by an intention of the Husband put assets beyond her reach. If the Wife had accepted Temur's position in respect of these payments, then she should logically and consistently accept his position in respect of other transfers. However, Mr Gourgey QC pointed out that the sums paid in July 2015 and December 2016 had not been claimed by the Wife because those sums were not obviously derived from the Monetary Assets held by Cotor and were made by the Husband from his personal bank account. The distinction between payments made from the Husband's personal bank account with those made from Cotor's account was an important one. Thus, I reject the submission made by Mr Levy QC that there was any inconsistency of approach by the Wife as to the sums claimed from Temur. In any event, the fact that she had not claimed particular sums said nothing about the validity of her claim in respect of other sums.

269. Turning first to the **payment of US$50 million on 25 August 2015**, the context in which this payment was made was crucial. The Husband and Temur had been making considerable efforts to be ready to transfer all the Husband's assets (including the Monetary Assets, the Yacht and the Artwork) to the UAE in July and August 2015, spurred on by the settlement meeting with the Wife's lawyers which was to be held at the end of July 2015. Temur told me in his oral evidence that he and his father were seeking to have arrangements in place by the time of the settlement meeting. They did not intend to implement those arrangements until after the meeting as there would be no need to transfer assets if a settlement had been reached. After the Husband failed to reach a settlement with the Wife at that meeting, Temur confirmed that the Husband decided to move his assets. Accordingly, on 17 August 2015, Temur gave instructions urgently to transfer all the Monetary Assets in Cotor to the UAE, telling the Husband's lawyers: *"Father says to move all ASAP"*. He accepted in cross examination that, if that instruction had been executed, Cotor would have had a zero balance and that this was part of the plan to protect the assets from his mother as she did not want to settle with his father. On 24 August 2015, the transfer was stopped due to market volatility and the employment of Mr Henderson was terminated on this or the following day. The documents demonstrated, and Temur accepted, that Cotor had US$50 million of cash available and that there remained an urgent need to move that cash. On 25 August 2015, Cotor transferred US$50 million to Temur.

270. Temur submitted that this money was paid to him because he had coincidentally asked at this time for an increased investment fund. His account in that regard has changed on several occasions, such that I could place little or no reliance upon it. In his Defence, Temur claimed that his father had proposed in early 2015 to increase the amount significantly in respect of Temur's investment activity with a payment of US$50 million on 25 August 2015. In his witness statement however, Temur said he approached his father to ask him to increase the size of his investment funds after the fallout with Mr Henderson which took place on about 24 August 2015. In his oral evidence, Temur agreed that there were no conversations about a sum of US$50 million in 2015 but such conversations did take place in probably around the 15th, 20th and 25th August 2015. I observe that such conversations could not have taken place between the 15th and 20th of

August 2015 as the existence of this amount of available cash was not disclosed until Mr Henderson's email of 24 August 2015. No communication between the Husband and Temur in 2015 was produced which suggested that the Husband was planning to transfer US$50 million to Temur prior to the problems with the transfer to Emirates NBD in August 2015. Temur eventually accepted in cross examination that the whole discussion resulting in the decision to give him this money took place in the few hours following the dismissal of Mr Henderson on 24 August 2015.

271. Temur's case that he was also given additional money due to initial trading successes in early 2014/2015 was untrue. His tax returns showed that he had made substantial losses in the years ending April 2014 and April 2015. In an attempt to account for this inconsistency, Temur told me that he had asked his father to help him out because he had made some mistakes in his investments and his father had agreed to give him another chance. That case was the polar opposite of his pleaded case. Further, in his oral evidence, Temur claimed that he had a specific conversation on 24 August 2015 in which his father had said that his only intention was to provide sufficient capital for Temur to make investments. That alleged statement by the Husband was wholly inconsistent with the Husband's other communications (telling his sons to preserve capital against a *"mam attack"*). It also struck me as unlikely that the Husband would be receptive to such a request from Temur when the Husband was having to deal with a market crisis and the collapse of his scheme to transfer his assets to Emirates NBD. The only plausible explanation was that the transfer of US$50 million to Temur was devised as a solution to provide protection for the available cash in Cotor's portfolio. Such a transfer provided a degree of protection (a) because the money would no longer be in the name of the Husband or one of his companies and therefore liable to be frozen by the Wife and (b) because the Husband and Temur assumed that the Wife would not sue Temur even if she discovered the transfer.

272. I am also satisfied that, contrary to the case put to the Wife in cross examination, Temur accepted that he had not told the Wife that he had received $50 million from the Husband until after it had been lost by him in stock market trading. The fact that he had not told his mother of the transfer until the money had been lost supported the case that it was being concealed from her. The fact that the Wife did not take legal action against Temur at the time was neither here nor there. Whilst she may have had suspicions about Temur's role from late 2014 and more concrete concerns after Temur filed a witness statement in the financial remedy proceedings in September 2016, the Wife did not know about his involvement in the Husband's schemes (or of the existence of the Middle East schemes in 2015) until Mr Henderson provided information and documents to her and her lawyers much later. Any claim she might have brought based on Temur taking his father's side in the divorce proceedings and his loss of US$50 million would have been bound to fail as it would have been impossible to prove the Husband's purpose and Temur's bad faith without evidence of the schemes being undertaken and of Temur's role in them.

273. The payment of **US$7.5 million on 2 May 2015** took place at a time when the Husband and Temur were attempting to open accounts in Qatar. In his oral

evidence, Temur accepted that there was an urgency to protect the Husband's assets because the Wife had refused to settle. There was no evidence that the Husband was planning to increase the size of Temur's investment fund at that time. Despite some trading losses, Temur still retained most of the US$5 million given to him in early 2014. Further, he has not disclosed any communications explaining this payment of US$7.5 million nor how it came about.

274. The Wife invited me to draw the inference that, in the midst of urgent efforts to put the Husband's assets out of the Wife's reach, the Husband was giving a substantial sum to his son because he would rather Temur had the money than risk leaving it exposed to an attack by the Wife. I note that a payment of US$8.975 million was made to Edgar at about the same time and this might also be consistent with the Husband wishing to ensure that both his sons had substantial capital rather than risk those funds falling into the hands of the Wife.

275. As to the **payments totalling US$10 million in May and June 2016**, the Wife did not have documentary evidence about precisely what steps were being taken at this time. Had Temur and the Liechtenstein Trusts complied with their disclosure obligations, the position might well have been clearer. Nevertheless, Temur accepted in his oral evidence that there was an intention to move his father's assets and he did not deny that he was continuing to be actively involved in formulating plans to move his father's assets out of his ownership. In March 2016, Temur was arranging meetings with new lawyers who had new ideas, including about a trust. The payments were received not long after Temur said he agreed with his father that his mother did not deserve *"$1 penny"* and that transferring everything meant she would be powerless.

276. Temur submitted that the fact he invested the money he received aggressively and suffered trading losses was evidence that the transfers were not undertaken to protect the Husband's assets. The email sent by the Husband in October 2015 made clear that he wanted both to protect the assets from the Wife and also to invest them to make returns. The fact that assets were transferred to Temur and then invested by him was consistent with that objective. The evidence was that the assets held by Cotor were traded aggressively during 2016 and that Cotor also suffered significant losses. The Trusts also engaged in aggressive investment strategies with losses of just under £300 million being suffered since March 2018. The fact that Temur made trading losses told me nothing about whether the purpose of the transfers was to put money beyond the Wife's reach.

The Transfers: 2017-2019

277. The transfers made from January 2017 onwards were not made out of Cotor, but were, it seems, made by the Husband. The Wife contended that the funds transferred derived from the Monetary Assets transferred into the Liechtenstein Trusts and, accordingly, that relief could be granted against Temur as a subsequent recipient of those improperly transferred sums. In response, Temur contended that the Husband had made substantial payments to him, comprising both *"generalised financial provision"* to meet his living, legal and other expenses, and funds for the Investment Purpose. Sensibly, the Wife did not pursue any claim in respect of sums which Temur said related to his living

expenses. However, the Wife sought relief in respect of the very large transfers said to have been paid to him *"for investment"*.

278. The payments which Temur said did not relate to his living expenses from 2017 to date comprised the following and total US$34,499,998: (a) US$5 million paid on 13 June 2017; (b) US$3.5 million paid on 12 October 2017; (c) US$5 million paid on 13 February 2018; (d) US$3 million paid on 17 May 2018; (e) US$3 million paid on 29 May 2018; (f) US$3 million paid on 2 October 2018; (g) US$1 million paid on 22 January 2019; (h) US$2 million paid on 18 March 2019; (i) US$4,999,994 paid on 6 May 2019; and (j) US$3,999,994 paid on 26 August 2019.

279. There was no direct evidence about the source of these funds but the inference that they originated from the Liechtenstein Trusts was overwhelming. In October 2015, the Husband stated in his Form E that he had about £2 million in his personal bank accounts, and that he would meet all his income and capital needs from the Bermudan Trust (which, he said, held the Monetary Assets at that time). Thus, the sum of US$35.5 million could not have come from the Husband's personal assets. Further, it was known that the Husband used Cotor as a piggy bank to hold substantially all his Monetary Assets and those assets were transferred into the Liechtenstein Trusts in November/December 2016. Those Trusts were known to have transferred to the Husband the following sums:

a) US$148.8 million up to the date on which a criminal restraint was imposed on 5 March 2018 in respect of the Husband's personal accounts in Switzerland, Russia and Azerbaijan; and

b) at least US$445 million after the date on which the criminal restraint was imposed.

280. The Wife invited me to infer that the US$35.5 million paid to Temur derived from the Monetary Assets previously held in the Trusts and then distributed back to the Husband. Relief could be granted against Temur as a subsequent transferee of the assets improperly transferred into the Trusts. In the alternative, the Wife contended that the transfer of these funds from the Husband to Temur engaged s.423 IA as they were transfers by judgment debtor, for no consideration, in circumstances where it could be inferred that it was part of the Husband's purpose to put those monies beyond the Wife's reach. Even if the Husband had the desire to benefit Temur, it could safely be inferred that part of his purpose was to move some of the money to Temur so that, even if the Wife's attacks on his assets succeeded, that money would be safe from enforcement because he assumed that the Wife was unlikely to pursue her son.

281. In his oral evidence, Temur admitted that he assumed that the Husband had transferred everything out of his ownership in 2016. I have already found that, during 2016 and beyond, Temur continued to work with his father and so his claim not to know about transfers from the Trusts to the Husband was implausible. In that context, I note that Temur held documents on the computer in the study of his London flat relating to distributions to the Husband's bank accounts from the Trusts and that he attended annual meetings with the trustees.

282. Having considered the statutory tests set out in s.423 IA and s.37 MCA, I am satisfied that, either way it was formulated, the Wife's claim with respect to the 2017-2019 transfers was made out with respect to the test set out in s.423 IA.

283. Mr Levy QC submitted that the payment for US$3 million on the 2 October 2018 was described as a birthday gift and, if there were to be consistency in the Wife's case, this transaction should not be impugned as the Wife had not sought to impugn the 2013 birthday gifts made Temur in the total sum of US$5 million. I accept the force of that submission and note that the birthday gift made in 2018 ought properly to be characterised as *"generalised financial provision"* against which the Wife was clear she made no claim. To that limited extent alone, I reduce the Wife's claim in respect of the 2017-2019 transfers to US$31,499,998.

Discretion

284. Given that I have decided in principle that Temur is liable to pay the Wife the total sum of US$98,999,998, I must consider whether he can reduce or avoid his liability because he has lost money through his own unsuccessful trading on the financial markets. The documentary evidence in his disclosed tax returns seemed to suggest that Temur lost US$91,111,694 to 5 April 2019.

285. The fact that Temur lost the funds he received was no defence to the claim. He could not rely on the bona fide purchaser defence provided by s.425(2)(b) IA and/or s.37(4) MCA because he did not provide any consideration for the sums gifted to him by his father.

286. However, in exercising my discretion to make such order as I think fit, I can take into account subsequent losses if I consider it appropriate to do so. In that regard, case law directs me to consider the mental state of the respondent and the degree of their involvement in the fraudulent scheme. I can deal with this matter shortly on the basis of (a) the findings I have made as to Temur's involvement in the Husband's schemes and (b) my rejection of his case that he was a mere low-level functionary involved in the execution of those schemes. Temur's knowledge of and involvement in those schemes provided reason enough for me not to permit him to rely on his losses in circumstances where he was a co-conspirator with his father.

287. Though the consequences for Temur will be financially disastrous, he has only himself to blame for this state of affairs. He embroiled himself in the scheme where, as he himself described it, the purpose was *"…TO CUT HER BALLS OF[F]…"* to force his mother to settle or to put her in a helpless and useless position notwithstanding this court's judgment. In all the circumstances, Temur cannot expect to enjoy the largesse of his father whilst his mother is kept out of any part of the share of the marital wealth to which this court has determined she is entitled.

288. I therefore grant judgment against Temur in respect of transfers of the Monetary Assets in the sum of US$98,999,998.

The Moscow Property

289. Mr Gourgey QC submitted that the story of the Moscow Property was, even by the standards of this case, extraordinary. There was considerable force in that submission. The Wife's case was that the Moscow Property was transferred to Temur at a massive undervalue: either for no consideration or (at most) for less than 10% of its true market value. There was no credible explanation for that transfer other than that the Husband was seeking to move ownership of the Moscow Property from Sunningdale (that is, a Cypriot company, against which enforcement would have been comparatively straightforward) into Temur's hands. That conclusion was reinforced by the fact that the transfer took place at a time when the Wife had obtained funding from Burford Capital and was taking active steps to enforce her judgment in foreign jurisdictions.

290. Astonishingly, since the commencement of the proceedings against him, Temur entered into an agreement to *"cancel"* the transfer which resulted in the shares returning to Sunningdale, which then immediately transferred them to the Husband beyond the reach of enforcement. The Wife submitted this was done in a devious manner and without Temur giving any prior warning of his intention to execute that agreement either to the Wife or to this court. Temur's willingness to engage in such wide-ranging dishonesty to ensure that the Moscow Property did not fall into his mother's hands shed an important light on his state of mind and motives generally.

The Transfer to Temur: 2018

291. The Moscow Property is a substantial office building located in the prime Central Administrative District of Moscow and is less than 20 minutes' walk from Red Square. It has a floor area of over 20,000 ft.² arranged over four floors and it is a cultural heritage site (akin to a listed building in this jurisdiction). Prior to 2018, the Moscow Property was owned by two companies: Sunningdale (a Cypriot company) and its wholly-owned subsidiary, Solyanka Servis (a Russian company). The freehold title of the Moscow Property is formed of four separate register entries or cadastres. The freehold title of each of these cadastres was owned by either Sunningdale or Solyanka Servis.

292. Until 17 March 2015, the Husband was the owner of Sunningdale. On that date, the Husband transferred Sunningdale (and, therefore, the ultimate ownership of the Moscow Property) to the Bermudan Trust. That settlement was set aside by Haddon-Cave J in paragraph 17 of his Order dated 20 December 2016 under s.423 and s.37 MCA. As Temur admitted in his Defence, the Husband remained the true owner of Sunningdale.

293. Following the trial in December 2016, the Husband was the indirect owner of the Moscow Property. Accordingly, the Wife could have taken steps to enforce her judgment against that interest in Cyprus: for example, by obtaining a charging order over the Husband's interest in Sunningdale and/or an equitable receiver over Sunningdale, as she now has done.

294. In April 2018, Sunningdale transferred its ownership of part of the Moscow Property to Solyanka Servis. The Husband's ultimate ownership of the Moscow Property was unchanged because Solyanka Servis was a subsidiary of Sunningdale. However, in June 2018, Sunningdale transferred the shares in

Solyanka Servis to Temur such that Temur became the sole owner of the shares in Solyanka Servis and thus of the Moscow Property. Temur contended that the shares were transferred to him pursuant to a purchase agreement concluded before a notary in Moscow on 15 June 2018. Amongst the key terms of the purchase agreement was (a) the purchase price of RUB 50 million (less than £600,000) payable within one month from the making of an entry on the state register recording the transfer; and (b) transfer of the shares to Temur from the moment when the entry was made in the state register of legal entities.

295. It was common ground that Temur was registered as the owner of the shares in Solyanka Servis in the state register on 22 June 2018. According to the terms of the purchase agreement, the price was therefore payable on 22 July 2018. So far as the evidence revealed, the price was not paid. Temur contended that he did not pay and none of his disclosed bank statements revealed any such payment.

296. There was no doubt that the 2018 purchase was at a substantial undervalue. The transfer was for no consideration and the Wife contended that there was never any genuine intention that Temur should pay for the shares in Solyanka Servis. He was simply receiving them for the purpose of sheltering them from enforcement and, it can be inferred, the price included in the 2018 purchase agreement was simply to enable the pretence of the sale rather than a gift. Even if there had been a genuine agreement to pay RUB 50 million, that would itself have been a massive undervalue. In a detailed, comprehensive and unchallenged report, Dr Mamadzhanov - a member of the Russian Society of Valuators - assessed that the Moscow Property was worth RUB 546,435,400 (£6.58 million using the exchange rate at that time) as at June 2018. The purchase price was thus less than 10% of the true value.

297. In his Defence, Temur contended that *"representatives of Sunningdale"* offered him the opportunity to acquire the shares in Solyanka Servis. When pressed to identify these representatives of Sunningdale, Temur said that he was referring to the Husband. His Defence was thus clearly misleading about his father's involvement in the transaction. His witness statement was equally incoherent as Temur stated that *"representatives of Sunningdale"* approached him in March or April 2018, suggesting that he only had discussions with his father later at around the time of the Moscow World Cup (14 June to 15 July 2018).

298. In his Defence Temur stated that, following this approach, negotiations took place between him and a Ms Abashkina of Sunningdale. In his witness statement, he asserted that there were negotiations between himself and the representatives of Sunningdale which he said progressed well. No detail of the supposed negotiations or of the representatives was provided. There was an agreement to purchase the shares in Solyanka Servis for RUB 50 million. Even prior to the hearing, Temur conceded that he had no idea that the Moscow Property was worth more than 10 times the price he was agreeing to pay for it. In his witness statement, Temur claimed that he did not think it was a good investment though I observe that paying £600,000 would have yielded him an instant profit of about £6 million. Those matters wholly undermined the suggestion that there was any bona fide negotiation.

299. In his Response to the Wife's Request for Further Information, Temur advanced a new case, namely that his father said he might try to do business in Russia and that the plan was for him to live at the Moscow Property owned by Solyanka Servis. This was in marked contrast to his initial story, namely that representatives of Sunningdale had approached him with an opportunity to acquire the shares in Solyanka Servis. As the valuation report makes clear, the Moscow Property is a large, non-residential building and it seemed unlikely that the Husband would have suggested that Temur should live in a large office building.

300. Temur claimed in his Response that he failed to make the RUB 50 million payment because he did not have the spare funds and, in any event, he had decided that he did not, at that time, want to pursue business activities or live in Russia. His bank statements however revealed that he had more than sufficient funds to make this payment at the time. Further, the apparent volte-face in his plans within a month of agreeing to purchase the Moscow Property was implausible.

301. At the hearing, Temur's account of the purchase of the Moscow Property left - with some understatement - a great deal to be desired.

302. First, unsurprisingly given the deficiencies in his written evidence on this point, Temur could not provide a consistent or coherent explanation for how the transaction had occurred. Initially he claimed that the discussion with his father about the Moscow Property and the conclusion of the contract all happened during the Moscow World Cup. He explained that *"when I was there, the World Cup, he [the Husband] said he wanted it done and he told his representative, his PA, or whatever, he said just get it done, I want my son to have this stake…"*. When this was challenged, Temur changed his evidence and said that *"we talked about it before, but I was not so keen on it and that's it"* before claiming that he had talked to his father about it at the end of 2017 on many occasions. When referred to his witness statement which asserted that, in or around March or April 2018, representatives from Sunningdale had approached him, Temur said that in March or April 2018 *"a lot of people with my father"*, whose names he did not remember but who were probably lawyers or directors, spoke to him to say, "I want you again to have this office". The approach apparently took place in France. It struck me as wholly unlikely that a group of representatives sought to persuade Temur to acquire the Moscow Property. If the Husband had wanted Temur to take the property, he would simply have told him so. The evidence was also inconsistent with the impression given by his witness statement that his father had not been involved in the initial approach.

303. Second, Temur's oral evidence was inconsistent with the evidence in his witness statement as to a formal negotiation process with Ms Abashkina commencing in early June 2018. Temur stated that *"this doesn't work like … a commercial transaction … My father just simply gave his instructions, what he wanted to get done, and it happened, with whoever his lawyers were, or representatives, move together, he gave the order and things got done"*. When reminded about the reference to a formal negotiation process in his witness statement, Temur said *"… We weren't talking commercial terms, do this, do that, due diligence, et cetera. It was as a family thing"*. He claimed that the discussions with his father

and his representatives had started at the end of 2017. In contrast to the formal negotiations described in his witness statement, Temur claimed that there was a lot of family planning involved. This evidence was at odds with his Response in which he claimed that he negotiated with Ms Abashkina with nobody else present.

304. Third, Temur was unable to provide a credible explanation as to why he was purchasing the Moscow Property at all. He explained it was effectively his father's office, although he said it was largely unused and empty by 2018. When asked about what he would do with the Moscow Property after purchasing it, Temur suggested that he would go and sit at his desk and work on his computer, doing business and making money. It struck me as rather unlikely that he would do so in the middle of a large but essentially vacant office building. Initially he did not mention any intention to live in the Moscow Property. However, after being shown his Response stating that the plan was that he would live there, Temur suddenly claimed that the plan was to convert the Moscow Property into a residential dwelling. I observe that there was no reliable evidence that the Moscow Property was capable of being lived in. Nor did Temur mention living there in his witness statement or prior to being shown his Response.

305. Fourth, Temur could not explain the purchase price of RUB 50 million. Initially, he claimed that it was a market price. Then he said that Ms Abashkina had come up with the price and he had agreed to it. On the following day, for the first time, Temur asserted that the purchase price was RUB 50 million because that was under the threshold of RUB 60 million which, at the time, would trigger a tax liability in Russia. I regard Temur's evidence on the purchase price as wholly unreliable.

306. Fifth, Temur's evidence about the reasons for non-payment was inconsistent. Having originally suggested that he failed to pay due to lack of funds, this explanation was abandoned by him. Instead, he advanced a claim that he had cold feet about the purchase. In his oral evidence Temur said his change of heart occurred in September 2018 which was well after the deadline for payment. Later in his oral evidence, Temur proffered the excuse that *"… this transaction had to be paid in Russia from a Russian bank account, which I had to open, and I didn't have the correct visa and requirements, et cetera, to do this…"*. This excuse which made no sense given that the purchase price had to be paid to a Cypriot company was unsupported by any evidence and wholly inconsistent with his witness statement which was that he would have had the money to pay if he had wanted to go ahead. When trying to make sense of this evidence, it seemed to me that the reason he did not pay the purchase price for the Moscow Property was because it was never intended that he should do so. The purchase agreement was mere window dressing for a transfer between family members.

307. I am fortified in the above conclusion because it became clear that Temur saw the Moscow Property as nothing more than a gift from his father. When pressed as to details of the transaction, he said *"It was simply as I mentioned, my father wanted to do some estate planning and put assets in Russia, his house, office, into his children's hands, as he is getting to the age, which I think is normal, for a parent to think about their family, because we are not immortal"*. As Temur later

conceded in his evidence, the purchase agreement was only concluded because Russian lawyers said this was required.

308. Standing back and looking at this transaction in the round, the transfer of the Moscow Property happened because the Husband said it should happen and his representatives then implemented those instructions. There were no negotiations, and the purchase agreement was concluded simply to satisfy the formalities of Russian law. A price was included to make it appear to be a sale but there was no intention that that price would ever be paid. I reject the reason advanced by Temur at the trial that the reason for this transfer was estate planning. If that had been the true explanation there would have been no need for him to have made up the series of unconvincing and inconsistent stories about this transaction. On the contrary, Temur could easily have explained the position and supported that case with evidence from the Russian lawyers involved.

309. At one point during his oral evidence, Temur appeared to admit that the transfer of the shares from Sunningdale to him did put those shares out of the Wife's reach: *"… I still stick to the case that if my father wanted to put assets out of her reach, wouldn't it have been much easier for me just to complete this purchase of Solyanka, have it under my name and my mother wouldn't be able to take it"*. I have concluded that, at least in part, the reason for the transfer was to put the Moscow Property beyond any potential enforcement action. By early 2018, the Wife had commenced enforcement proceedings in new jurisdictions in addition to those jurisdictions where enforcement was already ongoing. The Husband would have feared that Cyprus could well be next on the list and he therefore needed to remove the shares in Solyanka Servis from the existing structure based in Cyprus where they were obviously exposed to enforcement of the English judgment. The transfer of the Moscow Property to Temur made good sense since it enabled the family to retain the use and control of the Husband's office whilst offering protection from enforcement since it was assumed that the Wife was very unlikely to commence proceedings against her son. As a result of the transfer, the Wife was prejudiced since she could no longer realise the value of the Moscow Property by enforcing against the shares in Sunningdale. The requirements of s.423 IA were satisfied.

The Transfer to the Husband: 2020

310. When the Wife started proceedings against Temur, steps were quickly taken to move the Moscow Property to the Husband so that it was once more out of her reach. I note that the following events all took place after January 2020 when Temur was ordered to preserve documents. However, he did not produce a single communication relating to these events.

311. In his Defence, Temur relied upon an exchange of letters as follows:

    a) In a letter dated 31 November 2018, Ms Shcheglova (acting under a power of attorney for Sunningdale) demanded that Temur execute an agreement before a notary to terminate the 2018 purchase agreement, failing which Solyanka Servis would apply to the Moscow Arbitrazh Court. Ms Shcheglova was acting as the Husband's personal lawyer in Russia at this time.

b) In a letter dated 1 December 2018, Temur did not object to the termination *"as my situation has changed, and currently I have no intention and possibility to fulfil the obligations under the Agreement"* and said that, as soon as he had obtained a Russian Visa, he would arrive in Russia in the shortest time possible for execution of the documents to terminate the purchase agreement.

312. The letter from Ms Shcheglova was signed as received by Temur on 30 November 2018 and the letter of 1 December 2018 was signed as received by Ms Shcheglova on 1 December 2018, that is the next day. Temur said he received the letter from Ms Shcheglova in person in London and gave his reply to his father to pass to a representative of Sunningdale.

313. The Wife contended that the letters were either forgeries or shams: that is, they did not exist in 2018 but had been created for the purpose of these proceedings or that they were created in 2018 but for the purpose of providing cover for the return of the shares if that was ever necessary. The exchange of letters made no sense. If, as Temur claimed, he had told his father that he did not want to go ahead with the purchase, why would his father's company (Sunningdale) and Temur embark upon an exchange of formal pre-action correspondence rather than simply executing the necessary agreement to voluntarily cancel the 2018 purchase agreement? I note that Temur produced no corroborating evidence from Ms Shcheglova at the hearing.

314. Temur's oral evidence about the events which led up to the purported exchange of letters was confused and illogical. He said he had not discussed his supposed decision not to proceed with the transaction with the Husband. If he had decided not to proceed with the transaction, he could simply have told his father who would have given an instruction to his representatives to arrange the cancellation of the transaction. He claimed, for the first time, that Ms Abashkina had been messaging him to chase performance of the contract from the end of summer 2018 and said he had provided copies of the relevant WhatsApp messages to his lawyers. No such messages were ever produced to me.

315. Given that the transfer was a family arrangement, it made no sense for Sunningdale to have written a formal letter before action in November 2018 threatening legal proceedings. It was simply implausible that the Husband would threaten to sue Temur for cancellation of the purchase agreement. If Temur wished to return the shares to Sunningdale because he had not paid for them, he could have simply signed a termination agreement when he visited his father in Moscow in January 2020.

316. Furthermore, the exchange of letters, by hand and on consecutive days, was obviously incredible. On his version, Temur must have left London (where he received the letter from Ms Shcheglova on 30 November 2018), given his handwritten reply to his father (the Husband being necessarily outside England), and his father must have hand-delivered the letter to Ms Shcheglova (who had apparently been in London on the previous day but signed for receipt of this letter), all on 1 December 2018. Temur claimed that he had provided documentary evidence to his lawyers which proved that Ms Shcheglova was in London on 30 November 2018. No such evidence was disclosed at the hearing

and Temur did not call Ms Shcheglova to give evidence in support of his account of events. Further, Temur was wholly unable to explain how his response had been delivered to and signed for by Ms Shcheglova on 1 December 2018. It would have been physically impossible for him to have delivered his reply to his father who was outside the UK and for his father then to have delivered it to Ms Shcheglova all on the same day. When confronted in cross examination with the impossibility of his own case, Temur said he could not remember how he had delivered his reply.

317. In any event, the letters were not acted upon. If the exchange was genuine, Sunningdale had formally demanded that Temur signed a termination agreement before a notary under threat of commencing proceedings and Temur had agreed to do so by 1 December 2018. However, he did not sign any notarised agreement until after these proceedings had commenced in 2020. Temur claimed that he thought his written consent would be sufficient but that made little sense in the light of Sunningdale's demand and his reply, and it would not explain why Sunningdale - represented by a lawyer who would certainly have known the correct position in law - did nothing to follow up on its purported threat to commence proceedings. When asked about this in his oral evidence, Temur was wholly unable to provide a coherent explanation for why he did not execute the termination agreement. He gave a variety of excuses such as claiming to not have a Russian visa (though he had previously given evidence that he did have a tourist visa which would have allowed him to travel to Russia) and stating that he did not want to travel to Russia at that time. Further, if Sunningdale had really threatened to commence proceedings unless Temur executed the termination agreement by 31 December 2018, it seems likely that there would have been some communications during 2019 chasing him to do what he had promised. Though Temur claimed during his oral evidence that such communications did exist and were in the possession of his lawyers, none were disclosed to me.

318. The Wife invited me to infer that the only possible conclusion I could draw from this unsatisfactory evidence was that the purported exchange of letters dated 30 November and 1 December 2018 was a sham and that the letters themselves were forgeries, created recently to enable the pretence that the termination claim was not simply a spoiling tactic in response to the Wife's claim against Temur. Having thought carefully about this submission, I have concluded for the reasons outlined above that the Wife was correct about the letters.

319. Just days after the Wife's Particulars of Claim were served in January 2020, Sunningdale suddenly commenced proceedings in Moscow against Temur to recover the shares in Solyanka Servis for the supposed default over 18 months previously. In his Defence, Temur stated that he did not intend to defend that claim. The first hearing in the termination claim was scheduled for 20 May 2020 but none of the parties attended and the hearing was adjourned. In the meantime, the Wife had taken steps in Cyprus by obtaining a charging order over the shares in Sunningdale and appointing an interim receiver over Sunningdale. Those steps were intended to ensure that, whatever the outcome of the termination claim, the shares in Solyanka Servis would be available to the Wife for enforcement - either by virtue of the claim against Temur in this jurisdiction or by way of the receivership over Sunningdale in Cyprus. The Cypriot court's order was served

on Sunningdale on 1 June 2020 and on the same day, the receiver wrote to Temur and the Wife's solicitors wrote to Temur's then solicitors.

320. However, in steps concealed from both the Wife and this court, Temur had been actively seeking to dissipate the shares in Solyanka Servis outside the termination claim. By so doing, this meant that the Wife could not prevent a transfer by intervening in the Russian proceedings.

321. On 16 February 2020, Temur appeared before a notary to grant a power of attorney in favour of Marina Sagadeeva, entitling her to enter into an agreement to terminate the 2018 agreement concerning the Moscow Property. Temur did not mention in his Defence that he was taking steps to terminate the 2018 agreement outside those proceedings and did not mention the power of attorney granted to Ms Sagadeeva. In his affidavit dated 31 July 2020 prepared in response to the Worldwide Freezing Order, Temur stated that: *"... I did not see the Power of Attorney as being inconsistent or relevant in addition to the position I had stated in respect of Solyanka. Indeed I would have expected the claimant or anyone else reading the Defence to have assumed that if there were to be proceedings in Moscow (as I said there were) that I would conduct them through a notarised Power of Attorney, as that is the common custom in litigation in the Russian Federation, certainly for parties who reside abroad…".* Initially, when first asked about these matters in cross examination, Temur told me that he had been told by legal advisers there (in Russia) that they would deal with everything in terms of settlement or handling the claim. He just needed to sign a power of attorney because he was not going to be in Russia at the time to deal with all those matters. Until he was cross-examined, Temur also neglected to mention that Ms Sagadeeva was his father's new secretary. It made no logical sense for Temur to have instructed his father's secretary to defend a claim by his father's company. Once that dawned on him in cross examination, Temur then asserted that she was not really working for his father any more as his father had not had any interest in Russia for a long time. He asserted that Ms Sagadeeva was working for him. The final iteration of his account was that Ms Sagadeeva also worked for the Husband.

322. On 19 May 2020, Ms Sagadeeva executed a notarised agreement to reverse the transfer of shares on behalf of Temur (the "Termination Agreement"). The Termination Agreement falsely recorded that the shares were not the subject of a dispute. Temur failed to provide any disclosure relating to the negotiation or execution of the Termination Agreement or indeed a copy of the Termination Agreement itself. He did not inform this court or the Wife of his intention to enter into an agreement to transfer the very shares which were the subject matter of the present claim before it occurred. There was no mention of the Termination Agreement in his Response to the Wife's Request for Further Information in July 2020. I observe that the Wife only obtained a copy of the Termination Agreement through the receivers' efforts in Russia.

323. On 19 May 2020, a submission was made to the Russian Tax Service (which maintains the state register of companies) to register a transfer of shares in Solyanka Servis from Temur to Sunningdale. This was the day before the hearing in the Termination Claim (attended by no-one and adjourned) and, coincidentally, was one day after the conclusion of a hearing in these proceedings in which I

heard lengthy submissions from Temur's counsel in relation to his obligations to answer requests for further information about the Moscow Property. The transfer of shares was registered on 26 May 2020.

324. On 3 June 2020, Temur's then solicitors responded to the Wife's solicitors' letter dated 1 June 2020. That letter stated, on instructions from Temur, that: (a) Temur's position remained as set out in his Defence; (b) Temur intended to comply with his obligations under Cypriot law; and (c) the matter was not something to be put before this court. On any view, that letter was an extraordinarily misleading document. By that time, the Termination Agreement had been executed; the shares had already been transferred to Sunningdale; and Sunningdale had agreed to withdraw the Termination Claim. When asked about the letter dated 3 June 2020, Temur could not really explain to me why it had not mentioned the Termination Agreement or why he claimed in that letter to be taking Cypriot law advice if he had already divested himself of the shares in Solyanka Servis.

325. On 3 June 2020, and notwithstanding having been given notice of the appointment of an interim receiver, Sunningdale entered into a notarised share purchase agreement by which it transferred the shares in Solyanka Servis onto the Husband.

326. This episode vividly demonstrated Temur's dishonesty and lack of respect for this court's processes. There was no possible mitigation which could be offered for Temur's behaviour – wisely, Mr Levy QC did not try. The failure to disclose any documents about these events suggested that, if those communications had been disclosed as they ought to have been, they would have revealed these events to be part of a collusive scheme between Temur and the Husband to defeat the Wife's claim. Temur's dealings with the Moscow Property were deliberately concealed from this court and I infer that this was done to defeat the Wife's claim and to minimise her opportunity to prevent him divesting himself of the ownership of the Moscow Property. His behaviour was thoroughly dishonest and casts a long shadow over his case as a whole.

327. The dealings with the Moscow Property were also important because they demonstrated Temur's willingness to assist his father to protect the family assets from enforcement by the Wife. His absolute loyalty to the Husband's plan to prevent the Wife receiving a penny of the matrimonial assets explained why the Husband was willing to transfer substantial amounts of cash to him. The Husband knew that Temur would do whatever it took to ensure that none of the matrimonial assets would fall into the Wife's hands.

Relief: Section 423 IA

328. In conclusion, I am satisfied that I should grant relief under s.423 IA in respect of the transfer of the shares in Sunningdale (and with them the benefit of the Moscow Property) to Temur. As Temur has dissipated those shares, I order that he should pay the Wife the current value of the shares which she would otherwise have received, namely RUB 531,560,331 (equal to £5,315, 603) as at 1 October 2020.

329. All the conditions for the grant of relief under s.423 IA are satisfied. First, the fact that the Husband was an indirect owner of the shares in Solyanka Servis through Sunningdale does not affect the ability to grant relief in respect of the transfer of those shares to Temur. The statute applies where a person enters into a transaction at an undervalue and with the prohibited purpose. The word *"transaction*" in s.423 IA is given a very wide construction which includes formal or informal arrangements. A transaction can also include bringing about the sale of an asset by another person: in Feakins v DEFRA [2007] BCC54, relief was granted where the relevant person brought about the sale of the farm through the medium of its mortgagee, NatWest Bank, to a third party. S. 423 is engaged because the Husband, as a person, arranged the transfer of Sunningdale's shares in Solyanka Servis, which is a transaction for the prohibited purpose. This reading of s.423 is plainly correct because, otherwise the protective purpose of the statute could easily be sidestepped by a sophisticated debtor simply causing companies he owned to transfer their assets away.

330. The Wife could have enforced against the shares in Solyanka Servis by obtaining a charging order over the shares in Sunningdale in Cyprus and then appointing a receiver over Sunningdale's assets by way of equitable execution. She did precisely that, but she was too late because the Husband and Temur had already managed to move the assets again. By causing Sunningdale to divest itself of its interest in Solyanka Servis, and therefore rendering his interest in Sunningdale worthless, the Husband intentionally prejudiced the Wife's ability to enforce her judgment.

331. The transfer of the shares to Temur was at an undervalue, either for no consideration or for far less than the value of the property. The Husband's purpose was a prohibited purpose because the transfers took place at a time when the Wife was actively engaged in seeking to enforce against foreign assets with the benefit of funding which Burford Capital had agreed to provide in January 2018. The ownership of Solyanka Servis and the Moscow Property was held through a relatively vulnerable structure because Sunningdale was a Cypriot company. Haddon-Cave J had ordered the return of the shares in Sunningdale to the Husband and the Wife could enforce that order in Cyprus. The vulnerability of Sunningdale's assets was demonstrated by the fact that the Wife was able to obtain a charging order over Sunningdale and the appointment of a receiver over its assets in 2020. In that context and given the Husband's concerted effort to ensure that his assets were kept beyond the reach of the Wife's enforcement, it was overwhelmingly likely that his purpose in moving assets out of Sunningdale was at least in part, to put them into safer hands (Temur's). The fact that Temur was not a judgment debtor did not assist as it is likely that the Husband thought that the Wife would not bring proceedings against her son.

332. I accept Mr Gourgey QC's submission that there was no other credible explanation for why the Moscow Property was transferred to Temur in 2018 at what was, on any view, a massive undervalue. The events of 2020 only reconfirm the conclusion set out above. The steps which led to the Moscow Property being transferred to the Husband reinforced the submission that Temur's role throughout was to shelter the Moscow Property and ensure that it did not fall into the Wife's hands.

333. Any argument which Temur might have made that the 2018 Agreement had no legal effect because he failed to pay the price said to be due under that Agreement, would have been unsustainable as a matter of Russian law. The expert in Russian law, Mr Trukhanov, confirmed that Temur had absolute ownership of the shares in Solyanka Servis from 22 June 2018 without any encumbrance and was free to dispose of those shares. His inability to pay did not affect the validity of the 2018 Agreement or his ownership of those shares. He became the sole owner of the shares in Solyanka Servis, worth in excess of RUB 500 million, subject only to his liability to pay RUB 50 million. If he had not entered into the Termination Agreement, he could have been ordered to transfer these shares to the Wife.

334. Though Temur no longer has the Moscow Property by virtue of the Termination Agreement, my findings make clear that he did not change his position in good faith. The execution of the Termination Agreement was a deliberate and collusive attempt by Temur to prevent the Wife obtaining an effective remedy in full knowledge of these proceedings. His behaviour in that regard was no reason to deny the Wife relief.

The Claims Against Borderedge

335. The Wife alleged that, as part of the process of stripping out all Cotor's assets immediately prior to trial in late 2016, €27.5 million was transferred from Cotor into the Genus Trust and then immediately passed on to Borderedge ("the Borderedge Transfer"). Both transfers took place on 28 November 2016. The Wife stated that the reason why this sum of money was transferred out to Borderedge rather than being retained in Liechtenstein with the remainder of the Monetary Assets was because most of this money was already pledged as cash collateral to mortgages provided by UBS over two villas - Villa le Cottage and Villa Pomme de Pin – in Cap Ferrat, France.

Background Facts

336. Borderedge is a Cypriot company which was originally owned by the Husband but was subsequently transferred in 2010 to Temur and Edgar who now each own 50% of its shares. The sole director of Borderedge throughout the relevant period was Page Directors Ltd ["Page Directors"], which is part of the Pagecorp Group, a Cypriot corporate services provider. No disclosure was given of the contract under which Page Directors provided its services, so its precise obligations during the period in question were not known. However, as the Pagecorp Group describes on its website, it provides *"nominee services"* (including "corporate or individual directors"). The Wife invited me to infer that Page Directors administered Borderedge on instructions from the Husband and/or Temur. Following commencement of the claim against Borderedge, Mittelmeer Directors Ltd, another corporate service provider, was appointed as replacement sole director of Borderedge.

337. Since 1995, the Akhmedov family has enjoyed the use of a valuable family holiday home in the south of France known as Villa Le Cottage. The property was purchased by a Luxembourg company wholly beneficially owned by the Husband. The Wife has continued to use Villa Le Cottage following her divorce

from the Husband and thus still benefits from the property. On 8 June 2005, Borderedge was incorporated as an SPV for the purpose of owning Villa Le Cottage but it remained dormant until December 2007. Since its incorporation, Borderedge has been managed by corporate service providers in Cyprus, as set out above.

338. On 20 December 2007, Borderedge and the Wife arranged for the incorporation of SCI Villa le Cottage [SCI VLC]. An SCI is a specialist type of French legal entity which is used to own and manage real property. Borderedge owns 80% of the shares and the remaining 20% of the shares are owned by the Wife. The Wife has been the manager of SCI VLC at all relevant times, save that there is now an administrator appointed in ongoing legal proceedings between the Wife and Borderedge in France. SCI VLC is the sole owner of Villa Le Cottage. In July 2020, Temur estimated its value to be about €20 million. To fund SCI VLC's purchase of Villa Le Cottage, on 13 December 2007, Cotor agreed to lend Borderedge the sum of €15 million. Borderedge agreed to lend the same sum to SCI VLC to purchase Villa Le Cottage. In November 2010, the shares in Borderedge were transferred to Temur and Edgar. The reason for the transfer was to ensure that Villa Le Cottage could remain in the family in the long-term by avoiding the payment of significant French inheritance taxes, which might otherwise have forced a sale in the future.

339. For tax planning purposes, SCI VLC decided to repay the loan to Borderedge and obtain external financing from UBS Monaco for Villa Le Cottage. In December 2012, SCI VLC mortgaged Villa Le Cottage with UBS Monaco S.A. ["UBS Monaco"] to raise the sum of €17.2 million. The proceeds of this loan were paid by SCI VLC to Borderedge and, from there, ultimately to the Husband personally. In December 2014, that loan was refinanced by a replacement mortgage from UBS Monaco in the same sum. The 2012 and 2014 loans are referred to collectively as the *"VLC Mortgage"*. The VLC Mortgage was secured not only by a charge over Villa Le Cottage but also by a guarantee from UBS Switzerland. That guarantee was backed by cash collateral of €19.135 million held by Cotor in an account at UBS Switzerland. The Wife was aware of and consented to these arrangements.

340. In January 2016, SCI Villa Pomme de Pin ["SCI VPP"] was established. Temur and Edgar own 50% each of SCI VPP. SCI VPP acquired Villa Pomme de Pin, a neighbouring property to Villa Le Cottage for €6.79 million. The purchase was financed by a mortgage of €6 million from UBS Monaco to SCI VPP [the "VPP Mortgage"] which, using a similar structure to the VLC Mortgage, was secured by cash collateral of €6.7 million held by Cotor in an account at UBS Switzerland. The Wife agreed that she supported this purchase and raising finance for it.

341. Accordingly, prior to November 2016, Cotor held €25.135 million in cash at UBS Switzerland which stood as collateral for the VLC Mortgage and the VPP Mortgage.

342. The Wife submitted that the existence of the cash collateral presented a challenge for the Husband's scheme to strip all the assets out of Cotor. UBS would not allow that cash to be withdrawn from Cotor without replacement cash collateral

being provided. If the money had been left in Cotor, it would have provided an asset amenable to enforcement by the Wife. First, if the VLC Mortgage or VPP Mortgage had been discharged by the relevant borrower (by a sale of the properties), then the cash would have become an unencumbered asset of Cotor in Switzerland, against which the Wife could have enforced. Second, if Cotor's money had been used to discharge the Mortgages, Cotor would have acquired a claim against SCI VLC and/or SCI VPP in the equivalent amount. The Wife could then have attacked that claim to enforce her judgment and ultimately taken ownership of the relevant villas in France. However, as a result of the Borderedge Transfer, Cotor had nothing against which the Wife could enforce.

343. The Borderedge transfer took place in three stages. First, on 22 November 2016, Cotor transferred €35.8 million from UBS Switzerland to its EUR account at LGT. Second, on 28 November 2016, Cotor transferred that €35.8 million from its LGT account into the bank account for the Genus Trust at LGT. Third, on the same day, the Genus Trust transferred €27.5 million to Borderedge.

344. Simultaneously with the transfer of funds, Borderedge entered into several agreements with UBS on 25 November 2016. Thus, Borderedge appointed Temur and Edgar as authorised signatories at UBS with unlimited authority to sign. Borderedge also signed written instructions to UBS Switzerland *"to carry on [the guarantee for the VLC and VPP Mortgages previously provided by Cotor] at my/our full responsibility and liability"*. That instruction was signed by Page Directors as sole director of Borderedge. Finally, Borderedge entered into a pledge of all its assets to UBS Switzerland, the same being signed by Page Directors on behalf of Borderedge. In return, UBS Switzerland confirmed that the undertakings in respect of the Mortgages had been transferred from Cotor to Borderedge.

345. A few weeks later, Counselor as trustee of the Genus Trust sought to conclude a Loan Agreement which would have characterised the payment of €27.5 million as a loan (the *"GT Loan"*). The Wife submitted the loan had numerous dubious features and was drawn up, after the event, as part of the scheme with the aim of creating another obstacle which could be thrown in the way of any attempt by her to enforce against Borderedge.

346. In 2017, SCI VLC defaulted on the VLC Mortgage (because it did not have a source of income to service the interest). UBS Monaco satisfied the loan by calling on the guarantee from UBS Switzerland, which in turn appropriated €17,280,673 from the cash collateral held in Borderedge's bank account. Borderedge admitted that this entitled it to claim the sum of €17,280,673 from SCI VLC which now holds unencumbered title to Villa Le Cottage. Borderedge still remains subject to its undertaking to UBS Switzerland for a sum of €6.7 million to secure repayment of the VPP Mortgage by SCI VPP and Borderedge's assets are pledged to UBS accordingly.

The Wife's Case

347. The Wife's primary case was that she was entitled to relief against Borderedge consequential upon the initial transfer of the relevant funds from Cotor to the Genus Trust on 28 November 2016. For all the reasons set out in paragraphs 186-

196 above, the transfer of the entirety of the Monetary Assets from Cotor to the Genus Trust was intended to put those assets beyond the Wife's reach, including €27.5 million which was, after receipt by the Genus Trust, paid by the Genus Trust to Borderedge. There was no reason to treat that sum used to fund the Borderedge Transfer differently to the other monies transferred from Cotor to the Genus Trust at the same time. Those monies were being moved into the Genus Trust to shield them from enforcement.

348. The Wife submitted that relief could be granted under s.423 IA and s.37 MCA against subsequent transferees of assets which had been wrongly transferred by a debtor (in this case, Cotor). Thus, if the transfers of Monetary Assets from Cotor to the Genus Trust were within the scope of s.423IA and/or s.37 MCA, relief could be granted against Borderedge to the extent that it subsequently received some of those assets. The Wife submitted that this was a classic case where such consequential relief should be granted given that the onwards transfer to Borderedge took place immediately after, and was intimately bound up with, the original transfer from Cotor to the Genus Trust [the *"Subsequent Transfer Claim"*].

349. In the alternative, the Wife submitted that she could bring a direct claim against Borderedge in respect of the transfer of €27.5 million from Cotor to Borderedge via the Genus Trust. This would involve treating the two steps in the process - that is the payment from Cotor to Genus Trust and payment from Genus Trust to Borderedge - as part of a single transaction for the purposes of s.423 IA [the *"Single Transfer Claim"]*.

350. That claim was permissible because the word *"transaction"* in s.423 IA was to be construed broadly. The Wife relied on a decision of the Court of Appeal in Feakins v DEFRA [2005] EWCA Civ 1513 where, in paragraph 76, a transaction was held to include any agreement or understanding between parties, whether formal or informal, oral or in writing. Where there were multiple steps in a series of linked dealings, the identification of the relevant *"transaction"* would turn on the facts of each case and the court must look at the transaction as a whole. In this case, the fact that the money was transferred through the medium of the Genus Trust did not mean that the transaction by which Cotor transferred €27.5 million (and the associated undertaking to UBS Switzerland) to Borderedge was not a single transaction. The two transfers - from Cotor to the Genus Trust and from the Genus Trust to Borderedge - were separately connected as part of a preordained plan. It was obvious that UBS Switzerland would not have released the cash (and transferred Cotor's undertaking) without Borderedge receiving the equivalent cash (and agreeing to accept the transfer of Cotor's undertaking). The clear understanding of everyone involved was that the cash and undertakings would be transferred from Cotor to Borderedge.

351. The Wife submitted that the interposition of the Genus Trust did not mean that there were two separate transactions. The fact that, within the space of a single day, the cash flowed into and out of the Genus Trust involved an artificial division of the transaction, most likely in an attempt to disguise the fact that Borderedge had received money from Cotor. The court could infer that the Husband and/or Temur were giving instructions to each of the parties - Cotor, the Genus Trust and Borderedge - for the purposes of this transaction.

352. If this analysis was correct, then Cotor entered into a transaction with Borderedge and, further, this transaction was at an undervalue for the purpose of s.423(1)(c) IA. Thus, Cotor gave Borderedge €27.5 million in cash and in return, Borderedge took over and secured Cotor's release from the undertakings given to UBS Switzerland in respect of the VLC and VPP Mortgages. However, this was not worth anything like €27.5 million for the following reasons. First, Cotor only had a contingent liability to UBS Switzerland. The undertakings functioned as a security which might never be called upon. However, by transferring the cash to Borderedge, Cotor guaranteed that it lost €27.5 million. Second, even if the undertakings had been called upon and Cotor had paid some of the €27.5 million to UBS Switzerland, Cotor would have gained claims of equivalent value against SCI VLC and/or SCI VPP, both property owning companies which would have been able to satisfy those claims. Therefore, even if UBS Switzerland had called upon its security, Cotor would have been able to recover the equivalent sums from SCI VLC and/or SCI VPP and would not have suffered any diminution in the value of its assets. Instead, by transferring the €27.5 million to Borderedge, Cotor reduced its assets by €27.5 million. Third, and in any event, the amount transferred by Cotor exceeded even the maximum theoretically possible liability under the undertakings to UBS Switzerland (€19.135 million and €6.7 million, that is a total of €25.835 million) such that Borderedge was guaranteed to be worse off from a cash perspective by at least €1.6 million.

353. The purpose of the transaction was to put the assets beyond the reach of the Wife by moving them out of Cotor into a company against which she had no pre-existing claim and which was, unlike Cotor, not obviously the Husband's nominee or alter ego and which she would not know had received part of the Monetary Assets. There was no reason to move money from Cotor to Borderedge other than to complete the asset stripping of Cotor. The transfer also took place at precisely the same time when all the other Monetary Assets were being removed from Cotor.

Borderedge's Defences

354. These can be summarised into four points:

a) The Wife failed to demonstrate the relevant statutory intention;

b) The Wife was not prejudiced by the transaction. Thus, she was not a victim of the transaction and she did not have standing to bring a claim.

c) Borderedge provided value for the transfer and this provided it with defences to either the Subsequent Transfer Claim or the Single Transfer Claim.

d) In any event, even if the transaction came within the statutory provisions, the court should not exercise its discretion to grant relief.

The Evidence

355. The following summarises the relevant evidence together with some of the conclusions I have drawn therefrom.

356. The disclosure produced exceptionally late in the day by Borderedge raised as many questions as it answered. Borderedge relied upon the witness statement of Temur dated 6 November 2020 in his capacity as 50% shareholder of Borderedge. That statement explained some of the history behind the transaction and, as one of the beneficial owners of Borderedge, Temur was also required to sign some documentation relating to the transaction. During cross-examination, Temur was questioned as to the purpose of the transaction. He told me that: *"I can't answer for Borderedge in its entirety. I'm a shareholder, yes, but I'm not an officer or director of the company, which I think the answer would bet[ter] from them, my Lady"*. However, Borderedge failed to call any oral evidence from a director or officer or from anybody directly involved in the transactions (such as Page Directors, Mr Kerman or Mr Devlin). I regard its failure to do so as telling.

357. The emails disclosed by Borderedge showed that its director did not exercise any independent decision-making function, but simply executed whatever documents it was told to execute by Kerman and Co (instructed by the Husband and who took instructions from the Husband and Temur). Thus, UBS sent a series of documents relating to the transfer of the security to Borderedge for execution. On 25 November 2016, Mr Kerman simply directed Zoe Potsi of Pagecorp to *"urgently arrange for these documents to be executed and scanned copies emailed to Mike Brun [at UBS], with a copy to us"*. Similarly, Mr Devlin (of Kerman and Co) told Ms Potsi on 25 November 2016 to *"arrange for all the individual forms in the attached PDF to be executed on behalf of Borderedge as soon as possible today"* and to hold and then to release a Master Agreement. Ms Potsi observed on 28 November 2016 that *"… all the forms were prepared by [Mike Brun]/the bank in liaison with you [Mr Kerman]/Sebastien (all forms were forwarded to me already completed for execution)"*.

358. Despite the significant size of the Borderedge transfer, Page Directors was not given any explanation whatsoever of the transaction it was being asked to execute.

359. On 23 January 2017, Ms Potsi emailed Mr Kerman and Mr Devlin, attaching a letter and partially executed loan agreement which Borderedge had received from Counselor as trustee of the Genus Trust. Page Directors had not previously been asked to agree that it would conclude any loan with the Genus Trust although Borderedge had received the relevant funds on 28 November 2016. Ms Potsi asked Mr Kerman and Mr Devlin to *"please give us some more information about this matter and advise"*. She chased Mr Kerman and Mr Devlin for such instructions on several occasions, asking on 16 February 2017 *"what shall we do finally with this agreement?"*. This material suggested, inter alia, that Page Directors was not taking its own decisions but was simply waiting to be told what to do by Kerman and Co on behalf of the Husband and/or Temur.

360. Prior to the Borderedge Transfer, the email traffic showed that the Genus Trust was interposed as a conduit for paying the €27.5 million to Borderedge, this being part of a single arrangement orchestrated by the Husband through Kerman and Co. On 25 November 2016, Mr Devlin asked Dr Blasy to *"urgently instruct LGT to transfer the sum of EUR 27.5 million from the Cotor accounts to the account of Borderedge Limited at UBS…"*. In response, Dr Blasy suggested that this should be an interest-free loan and Mr Kerman replied on 26 November 2016

stating that *"the request that the trustees consider making an interest-free loan repayable on demand to the discretionary beneficiaries who own Borderedge Ltd is confirmed!"*. On 28 November 2016, Walch & Schurti arranged for the relevant funds to be transferred from Cotor's account at LGT into the Genus Trust and then immediately paid out by the Genus Trust to Borderedge. A request for a straightforward transfer from Cotor had become a two-step transfer via the Genus Trust over the course of a weekend. There was an obvious inference that the interposition of the Genus Trust had no function other than to make it more difficult to trace and recover the Monetary Assets transferred from Cotor to Borderedge.

361. The circumstances surrounding the GT loan raised additional difficulties for Borderedge. First, the trustees of the Genus Trust were asked on 26 November 2016 to *"consider"* making a loan to the beneficiaries of Borderedge before the relevant funds had even been transferred into that Trust by Cotor on 28 November 2016. Borderedge's director did not appear to give any independent consideration as to whether it should enter into an agreement by which it borrowed funds from the Genus Trust (which it had no means of repaying) in order to provide security to UBS. The emails pointed to Borderedge's director simply doing as s/he was told by the Husband and/or Temur through Kerman & Co.

362. Even more strikingly, Borderedge's director had not agreed that it would borrow money when Borderedge received the €27.5 million into its bank account on 28 November 2016. Borderedge was presented with a loan agreement to execute after the event in January 2017. The emails in December 2016 contained a request to the trustees to make an interest-free loan to the discretionary beneficiaries who owned Borderedge (Temur and Edgar). After it had received the funds and taken on commitments to UBS, Page Directors' agreement that Borderedge would repay those funds with significant interest flew in the face of the email traffic in December 2016. It suggested that the GT Loan was not a genuine arrangement.

363. The partially executed loan agreement was only sent by Counselor (as trustee of the Genus Trust) to Borderedge on 16 January 2017, after the Wife had started to take steps against the trust structures in Liechtenstein. The letter from Counselor to Page Directors dated 16 December 2016 stated: *"We approach you in our capacity as the trustee of the Genus Trust. As you are aware, Counselor Trust reg. as the trustee of the Genus Trust has granted a loan to Borderedge Limited in the amount of EUR 27.500,021.38. The payment of the loan has already been effected by us on 28 November 2016. Please find attached two originals of the respective Loan Agreement. Could you please countersign both originals and send one of the countersigned originals back to us. The other original is for your further use. In case of any questions in relation to the Loan Agreement, please do not hesitate to contact us."* The letter was signed by Dr Schurti. The Loan Agreement was signed on behalf of Counselor and dated 14 December 2016. In response to the receipt of that letter and the Loan Agreement, Ms Potsi emailed Mr Kerman and Mr Devlin on 23 January 2017 attaching the letter and the loan agreement and asking, *"please give us some more information about this matter and advise"*. No written correspondence between Page Directors and Counselor

following receipt of the partially executed loan agreement was produced at trial. Ms Potsi's email to Messrs Kerman and Devlin did not strike me as the email of someone *"in the know"* about or someone *"aware of"* - to borrow Dr Schurti's words - the Loan Agreement. She plainly knew nothing about it and in fact chased for a response from Messrs Kerman and Devlin on 26 January 2017, 1 February 2017 and finally on 16 February 2017.

364. The Wife submitted that the Loan Agreement was a false instrument. Whilst it purported to have been executed by Page Directors *"Limassol, this 20 January 2017"*, she submitted this was not true. She relied upon Ms Potsi still asking on 16 February 2017 *"what shall we do finally with this agreement?"*. It was not known when the instruction to execute the agreement was in fact given. Further, Borderedge's accountant, Christina Nafti, then asked Mr Devlin at Kerman & Co for *"the executed version fully signed"* on 20 October 2017 and 13 June 2018. She was never provided with a copy on either occasion though she plainly had seen the partially signed loan agreement. Despite a request to do so, Borderedge was unable to produce any email showing that an executed version of the GT Loan was ever returned to Counselor as trustee of the Genus Trust. I regard the failure to do so as significant.

365. Ms Hitchens submitted that it was irrelevant when the Loan Agreement was physically signed because it was clear from subsequent email correspondence that all parties knew and understood that the loan was in place. She drew my attention to the financial statements of Borderedge from 2017 onwards which demonstrated the existence of the loan together with an ongoing liability to repay. She also relied upon a letter dated 19 August 2019 from Counselor to Borderedge agreeing to extend the period of the loan for 10 years.

366. The version of the GT Loan provided with Borderedge's initial disclosure on 2 October 2020 had not been executed by Borderedge. However, by the time Borderedge gave disclosure on 6 November 2020, a fully executed version of the GT Loan had emerged. In that context, the Wife drew my attention to Borderedge's disclosure of a new Director's Indemnity Agreement dated 1 January 2020. A WhatsApp message from Temur to Ms van Engelen on 7 September 2020 and attachment showed that this document was only signed in September 2020. The Wife suggested that Page Directors were willing to create backdated documents which might explain the version of the Loan Agreement which emerged in November 2020.

367. Looking at the material available to me and without coming to any conclusion on the Wife's submission as to "backdating" of documents by Page Directors generally, I find that the Loan Agreement was not executed on 20 January 2017 as it purported. That date was wholly inconsistent with the emails sent by Miss Potsi in response to Counselor's letter up to and including 16 February 2017. I further find that the Loan Agreement was signed on a date after 16 February 2017, but I do not know when that took place. Given that I could not place reliance upon the accuracy of this document, this called into question the validity of the GT Loan at the time it was purportedly entered into. The existence of correspondence in 2019 extending the loan period or entries in financial statements did not alter those conclusions.

Intention

368. The Wife must show that the relevant transfer was made with the intention of putting assets out of her reach or prejudicing her interests in relation to the claim which she was making or might make. She asserted that the Borderedge Transfer was part of the Husband's schemes to frustrate the enforcement of the judgment.

369. Ms Hitchens submitted that, in relation to the Monetary Assets the Wife founded her case on the contention that they were transferred to Liechtenstein because it was considered by the Husband to be a judgment-proof jurisdiction. However, she relied on the fact that the monies transferred by way of the Borderedge Transfer remained in an account held at UBS Switzerland, a jurisdiction which the Husband allegedly considered to be dangerous. Further, the monies were transferred to a Cypriot company and Ms Hitchens submitted that the Wife's own case with respect to the Moscow Property relied on the submission that enforcement would have been relatively straightforward against Sunningdale by reason of it being a Cypriot company. Thus, it was evident that the Borderedge Transfer had to be treated separately from the rest of the Monetary Assets and the Wife had failed to explain how the Borderedge transfer was designed to put assets beyond her reach.

370. Mr Gourgey QC submitted that no convincing, or indeed any, reason had been given on behalf of Borderedge for the transfer. He submitted that the only purpose must have been to empty Cotor of every last euro for the purpose of putting assets beyond the Wife's reach.

371. I am satisfied that the purpose of the transaction - on either of the two bases advanced by the Wife - was to put assets beyond her reach or otherwise prejudice her interests. No plausible reason was advanced as to why, if that were not the purpose of the Borderedge Transfer, the Transfer was ever made and why Borderedge would then enter into a guarantee with UBS. The fact that the money remained in Switzerland missed the point that the money remained there but under different ownership in circumstances (a) where the Wife had no pre-existing claim against Borderedge; (b) where Borderedge was not obviously the Husband's nominee or alter ego; and (c) where the Wife would not know that Borderedge had received part of the Monetary Assets. There was no reason to treat the Borderedge Transfer differently to the other monies transferred from Cotor to the Genus Trust in November 2016.

Wife Not Prejudiced

372. Ms Hitchens submitted that the monies subsequently transferred to Borderedge were pledged entirely to UBS Switzerland in the hands of Cotor and, in consequence, the Wife would not have been entitled to enforce against those monies in any event. Thus, the transfer to the Genus Trust did not put assets out of her reach and she was therefore not a victim of the transaction and not a person entitled to bring a claim. Ms Hitchens suggested that the circumstances set out in paragraph 342 above in which there would be an asset amenable to enforcement by the Wife were hypothetical. First, it was said that, if the VPP and VLC Mortgages had been discharged by the sale of those properties, the cash would have become an unencumbered asset of Cotor. Ms Hitchens submitted that there

was no evidence that, at the time of the Borderedge Transfer, there was any intention to sell either of the properties. Second, it was the Wife's case that, if Cotor's money had been used to discharge either of the mortgages, Cotor would have acquired a claim against the relevant borrower. Ms Hitchens submitted that this was a remote possibility at the time of the Borderedge Transfer and the likelihood was that the mortgage structure would have remained in place indefinitely.

373. Finally, Borderedge relied upon the argument advanced by the Trusts that the Wife had no standing to enforce the financial remedies order against the monies in the hands of Cotor in Switzerland given the decision in March 2020 of the Zürich Court of Appeal.

374. Mr Gourgey QC submitted that the test for a victim was not limited to whether a person has been prejudiced but was whether they have been capable of being prejudiced. It was obvious that the Wife was capable of being prejudiced if the party against whom she had a judgment divested himself of his money. With respect to the mortgages, these would not have been blocked indefinitely and, further, default on the UBS loans would have resulted in Cotor acquiring a claim against SCI VLC and/or SCI VPP.

375. I have already found the submissions about the Wife's standing with respect to enforcement in Switzerland unpersuasive. In my view, the Wife was certainly capable of being prejudiced by the Husband's actions in transferring the Monetary Assets to other entities, whether in Liechtenstein or elsewhere. Further, the Mortgages would not have continued forever - the 2014 loan to SCI VLC was granted until June 2019 with a maximum possible extension of five years - so their discharge would have rendered the cash then available to Cotor an unencumbered asset over which the Wife could have enforced. Finally, the 2017 default on the VLC Mortgage meant that Borderedge rather than Cotor had a claim against SCI VLC (which was liable to Borderedge for the amount deducted by UBS Switzerland in satisfaction of its first demand guarantee). Borderedge had admitted the existence of that claim. Thus, were it not for the Borderedge Transfer, the Wife could have attacked Cotor's claim against SCI VLC to enforce her judgment.

Borderedge Provided Value for the Transfer

376. With respect to the Subsequent Transfer Claim, Borderedge relied upon the defence provided in s.425(2) IA and similarly in s.37(4) MCA, on the grounds that it had provided value and acted in good faith without notice. It did so because:

a) The transfer was by way of loan and had to be repaid, together with interest at 5% per annum. This liability was shown in Borderedge's financial statements.

b) in consideration for the transfer, Borderedge undertook to maintain the monies as cash collateral for the guarantee given by UBS Switzerland and pledged the entire sum in its account at UBS. It was thus not entitled to use them. In addition to this, Borderedge paid significant fees to UBS in respect of the guarantee and undertaking, which were deducted from its account on a regular basis.

377. Mr Gourgey QC submitted that it was necessary to identify whose knowledge was to be attributed to Borderedge. If that was a person - such as the Husband, Temur or Kerman & Co - who knew why Cotor was being stripped of all its assets, then Borderedge was plainly not acting bona fide because it knew the Borderedge Transfer was simply part of that scheme. Borderedge had not identified whose knowledge was to be attributed to it but seemed to suggest that it would only be its nominee director (Page Directors Ltd). It was submitted that this was not credible in circumstances where the evidence showed that, acting as nominee directors, Page Directors simply executed whatever documents they were told to execute by Kerman & Co.

378. Further, Mr Gourgey QC submitted that the case of Singularis was of no assistance to Borderedge for the following reasons:

379. Borderedge also submitted that it acted in good faith in relation to the transfer and that, in the circumstances of this case, the knowledge of the Husband and/or Temur should not be attributed to Borderedge. Ms Hitchens relied on the decision of the Supreme Court in Singularis Holdings Ltd (in liquidation) v Daiwa Capital Markets Europe Ltd [2019] UKSC 50 in which Lady Hale disposed of the notion that the controlling mind in a *"one-man company"* would automatically be attributed to that company. Attribution of knowledge would depend upon the *"consideration of the context and the purpose for which attribution is relevant"*. Ms Hitchens submitted that, wrongly, the Wife sought to attribute (i) the Husband's knowledge to Borderedge though he was neither a shareholder nor a director and (ii) Temur's knowledge to Borderedge in circumstances where there was no suggestion that either the director of Borderedge or the other 50% shareholder (Edgar) shared this knowledge.

a) The Wife's case was that the Husband and/or Temur's knowledge should be attributed to Borderedge because, on the facts available to the court, they in fact took all relevant decisions and Page Directors simply did whatever it was instructed to do. The Wife was not submitting that their knowledge should be attributed to Borderedge because it was a "one-man" company.

b) Singularis emphasised the importance of the context and purpose for which attribution was relevant. In that case, the Privy Council held that a fraudster's knowledge could not be attributed to the company where the company was bringing a claim against a bank for failing to prevent the fraud. That was because the duty of the bank to prevent fraud would otherwise be denuded of any content. However, where the company is being sued by the victim because that company has participated in a fraudulent transaction, the company cannot be permitted to disown the knowledge of those who really control it - otherwise, s.423 IA could be defeated by appointing a nominee director simply to carry out the wrongdoer's instructions.

c) This case could not be further from that of Singularis where there was a *"board of reputable people"* operating *"a substantial business"*. Here, there was a company whose sole purpose was to hold the interest in a family home and where the nominee director simply executed whatever instructions were given by the shareholders through their nominated representative.

380. Despite Ms Hitchens' able submissions, I was not persuaded. It was wholly unclear to me what Borderedge's case was as to the knowledge attributed to it for the purpose of s.425(2)(b) IA. Despite the burden of proof being on Borderedge to prove it had no knowledge of the Husband's fraudulent scheme, Borderedge failed to call any oral evidence about that matter yet the documentary evidence available to me showed that:

a) At the relevant time, Page Directors was engaged pursuant to a Director's Indemnity Agreement with Temur and Edgar. It was expressly described as a *"nominee director"*. Clause 6 of that agreement required Page Directors to accept instructions from Temur and Edgar through their *"representative"* who was named as Sebastian Devlin. At the relevant time, Sebastian Devlin was a solicitor at Kerman & Co, the firm instructed by the Husband to act for him and to devise and implement his asset protection strategies.

b) Page Directors simply executed whatever documents it was told to execute by Kerman & Co. It was not even told the purpose of the transactions it was concluding (see paragraphs 358-359 above). Further, Temur confirmed in his oral evidence that, whenever anything needed to be done by Borderedge, instructions would be given to it by Temur, the Husband or their lawyers.

All this suggested to me that the knowledge attributed to Borderedge was that of the Husband and/or Temur expressed through their representatives at Kerman and Co. Given that, Singularis did not assist Ms Hitchens' case for the reasons advanced by Mr Gourgey QC. The knowledge of the scheme to strip Cotor of its assets so that the Wife would be left with an empty shell to enforce against must be attributed to Borderedge. I find that Borderedge cannot claim it acted in good faith.

381. Reliance by Borderedge on the GT Loan did not assist its case. Even if that loan were genuine, it was a step in the scheme intended to move assets between different structures used by the Akhmedov family. Borderedge could not rely upon the GT Loan to provide a good faith purchaser defence because it did not act in good faith. In any event, the GT Loan was problematic for Borderedge because:

a) It was not executed on 20 January 2017 for the reasons I found in paragraph 367 above. It was wholly unclear when this document was executed but it was certainly not at the time of the Borderedge Transfer.

b) The documentary evidence pointed towards the GT Loan emerging on 16 January 2017 after the Wife had begun proceedings in Liechtenstein. Prior to the €27.5 million being paid by the Genus Trust to Borderedge, Page Directors had been told that it would be an interest-free loan repayable on demand to the discretionary beneficiaries who owned Borderedge Ltd. Borderedge had certainly not agreed that it would be the borrower under a fixed term, interest-bearing loan.

c) Borderedge was unable to produce any document attaching either a fully executed version of the GT Loan or any balance sheet referring to that loan on any date prior to the commencement of the claim against Borderedge.

Additionally, there was no evidence that an executed version of the GT Loan was ever returned to Counselor as trustee of the Genus Trust.

For all the above reasons, I am unable to place any reliance on the authenticity of the GT Loan. This means that Borderedge has failed to establish it provided value for the Borderedge Transfer.

382. In relation to the Single Transfer Claim, the relevant transfer was said to be that from Cotor to Borderedge. Ms Hitchens submitted that the transfer was not at an undervalue, relying on the existence of the GT Loan. For the reasons given above, that submission must fail.

Discretion

383. Ms Hitchens submitted that, even if I had jurisdiction to make an order, this was not a case in which I should do so because (a) Borderedge did not derive benefit from the Transfer and indeed was worse off as a result of the Transfer; (b) the Wife had benefited from the arrangements; and (c) Borderedge's position had changed following the Transfer.

384. Dealing with the first of those submissions, Borderedge received a substantial payment from Cotor with full knowledge of the wrongful purpose of the Transfer. Following the transfer and with full knowledge, it chose to enter into an apparent loan agreement with the Genus Trust. I find it cannot rely on its own act with that knowledge to give it a basis for saying there should be no grant of relief. In any event, it appears that Borderedge is better off as a result of the Transfer because there is more money sitting in its account after the first guarantee had been called upon than the amount of the guarantee liability.

385. I have assumed that the submission that the Wife was said to have benefited from the arrangements related to her ability to enjoy staying at the French properties. I cannot see how that was relevant in this context. If the Transfer had not occurred, Cotor would have remained in place as the guarantor. If the mortgage had been called upon and Cotor had lost €25 million, the Wife would be able to enforce against the balance and then to stand in Cotor's shoes to enforce against the owners of the French properties.

386. Finally, Ms Hitchens submitted that Borderedge's position had changed following the transfer because there was a default on the SCI VLC Mortgage. The remainder of the monies in Borderedge's account were pledged and were not available to satisfy any claim and it would be unfair and inequitable to order that these monies should be returned to the Wife. However, the reality was that Borderedge has not lost out because, having paid up under the guarantee, it had an entitlement to an indemnity from the SCI companies and that could be enforced against them and against the properties they owned. This was admitted by Borderedge in its Defence. I note that Borderedge holds nearly €10 million in cash as well as having a claim against SCI VLC worth €17.4 million and that its contingent liability to UBS Switzerland is for no more than €6.7 million. The figures speak for themselves.

387. Finally, Ms Hitchens submitted that I did not have the jurisdiction to make an order for Borderedge to pay the sum of €27.5 million directly to the Wife. That submission was founded upon the circumvention of the Zürich Court of Appeal's decision to the effect that the Wife was not entitled to enforce the financial remedy order against Cotor in Switzerland. I have already rejected that submission in the context of the claims made against the Trusts.

388. I therefore allow the Wife's claim against Borderedge and grant a money judgment for €27.5 million against Borderedge.

Temur's Counterclaim

389. The remaining counterclaim advanced by Temur related to an alleged breach of confidence or privacy owed to him in respect of documents provided by Mr Henderson which contained information about his financial affairs, living costs and expenses, and financial investments and business affairs.

390. I put the counterclaim in context as follows. First, the Wife identified that there were only six documents concerning non-public information relating to Temur's own personal, financial, or business affairs in the "Reviewable Documents" provided by Mr Henderson. No further documents disclosed by the Wife have been identified by Temur as containing similar non-public information. One document was a Declaration of Trust dated 25 January 2013 relating to Temur's London flat. The Wife knew that Temur was the beneficial owner of his flat and the legal ownership of the flat is a matter of public record on the Land Register so this document would not have told her anything which she did not already know. In any event Temur would have been required to disclose it to the Wife pursuant to the Part 71 Order in these proceedings. Three documents related to the incorporation of STE Capital and it is a matter of public record that Temur is the founder of STE Capital. He would also have been required to disclose documents demonstrating his ownership of STE Capital under the Part 71 Order in these proceedings. Two documents (one bank statement and one payment instruction) evidenced payments of US$7.5 million and US$50 million from Cotor to Temur. These were documents which Temur would have been required to disclose in these proceedings.

391. Second, the Wife did not receive or review those documents herself but instead they were provided to her lawyers. The documents were not used in proceedings until this court's permission had been obtained in November 2019. The use of the Reviewable Documents was permitted to the Wife as if they had been disclosed to her by the Husband in these proceedings. Temur did not apply to set aside or vary that order. It was thus difficult to see how Temur could have suffered any loss (before the court's approval was given) or could obtain any relief (for example, to prevent the Wife using documents which she was expressly entitled to use under a court order).

392. Third, Temur sought an order precluding the Wife from relying on such documents with respect to the present proceedings. His case in that regard made no sense as relief had not been sought by him in advance of the trial and, in any event, he would have been under an obligation to disclose those documents to the Wife.

393. In the skeleton argument prepared on behalf of Temur, it was submitted that the trial could examine whether the exceptions to confidentiality and privacy upon which the Wife relied actually applied to the information in respect of Temur. It was suggested that it was likely to be appropriate to explore at the trial whether or not Mr Henderson had been paid to provide the documents or in what circumstances those documents came to be within the possession of the Wife's lawyers.

394. I record that none of the matters canvassed in the above paragraph was explored during the course of the trial.

395. Turning to the substance of the Counterclaim, the Wife did not dispute that the six documents were, in principle, of both a confidential and private nature. However, both confidence and privacy are subject to exceptions. I analysed the law with respect to confidence in paragraphs 20-23 of my judgment in this case under neutral citation [2019] EWHC 3140 (Fam). In summary, there is a defence where the material discloses iniquity or misconduct such that disclosure is in the public interest; and/or ordinary equitable principles apply, such that a lack of *"clean hands"* may prevent a person from obtaining relief in equity. As to privacy, the English tort of privacy derives from Article 8 of the European Convention on Human Rights (ECHR). Article 8(2) expressly recognises that the right to a private life is subject to an exception for the protection of the rights and freedoms of others. The Wife has rights pursuant to Article 6 to pursue civil proceedings and to enforce her judgment and Article 1 Protocol 1 (to the protection of her property, which includes a judgment debt). A balancing exercise between the competing rights is required, the outcome of which is determined principally by considerations of proportionality.

396. The circumstances of this case demonstrated that the Wife has been the victim of an elaborate and contumacious campaign to evade and frustrate the enforcement of the judgment debt and thus, in my view, the exceptions as to confidence and privacy are engaged. The information provided by Mr Henderson was intended to assist in unravelling that campaign. Some documents relating to Temur were included precisely because he has been a knowing participant in, and recipient of some of the proceeds of, that dishonest campaign.

397. The disclosure by Mr Henderson was part of a collection of documents revealing iniquity and misconduct such that disclosure was in the public interest to assist the Wife to unravel the Husband's schemes and enforce her judgment. Temur was directly involved in his father's schemes and so cannot properly expect the assistance of the court to keep documents secret from the Wife which may reveal his involvement and/or personal benefit. The Wife's legitimate interest in using this material plainly outweighed Temur's rights to privacy. Accordingly, he had no claim against the Wife through her lawyers receiving and using those documents up to the point when the court granted its order on 4 November 2019.

398. From that date, the Wife's use of the documents was under lawful authority and could not give rise to any claim for breach of privacy. Thus, there was no breach of Temur's rights of confidence or privacy. In any event, Temur had not pleaded any loss or produced any evidence to that effect.

399. Accordingly, I dismiss Temur's counterclaim.

Conclusion

400. To recap, I grant relief to the Wife against Counselor as follows:

a) as trustee of the Genus Trust, in the sum received from Cotor, the best estimate of which is US$650 million;

b) as trustee of the Arbaj Trust, US$36,624,946, CHF 4,000,000 and £1 million (joint and several liability with the Genus Trust to avoid double recovery);

c) as trustee of the Ladybird Trust, US$46,752,468, CHF 1,287,078.50, €76,918 and £128,100 (joint and several liability with the Genus Trust and the Longlaster Trust to avoid double recovery);

d) as trustee of the Carnation Trust, US$455,363,485, and CHF 10,000 (joint and several liability with the Genus Trust and the Longlaster Trust to avoid double recovery).

401. I grant relief to the Wife against Sobaldo, in its capacity as trustee of the Longlaster Trust, in the sum of US$546,735,165.

402. I grant the Wife relief against Temur as follows:

a) US$67,500,000 in respect of the claim for transfers of the Monetary Assets to him from Cotor in 2015 and 2016;

b) US$31,499,998 in respect of the claim for receipt of Monetary Assets previously held by Counselor and/or Sobaldo between 2017 and 2019;

c) RUB 531,560,331 in respect of the claim in respect of the Moscow Property.

403. I grant the Wife relief against Borderedge in the sum of €27,500,021.38.

404. That is my decision.

Akhmedova

Glossary and Chronology

Part One: Glossary of actors

Term	Definition

14 August Order	Knowles J order of 14 August 2020 dismissing the Stay Application, granting the Wife's Disclosure Application against Counselor and Sobaldo
Akhmedov 2013 Discretionary Trust ["the "Bermudan Trust"]	A Bermudan discretionary trust The Husband was the settlor, principal beneficiary, protector, and sole director of the corporate trustee, Woodblade
Alfa-Bank	A bank in Russia used to transfer US$120million to the Husband. This transaction was blocked by the FIU
Aon Cyber Security ["Aon"]	A company experienced in and retrieving electronic data held on both devices and in cyber accounts Appointed pursuant to the Forensic Examination Order
Arbaj Trust	A Liechtenstein trust established on 9 January 2017 Counselor is the trustee Recipient of Monetary Assets from the Genus Trust
Artwork	A collection of valuable artwork said to be worth £100 million
Avenger Assets Corporation [Avenger"]	Seventh Respondent A company incorporated in Panama Found to be the Husband's nominee Subsidiary company of Stern Management Corp
Bendura Bank	A Liechtenstein private bank The Genus Trust and Longlaster Trust hold an account here
Borderedge Limited ["Borderedge"]	Eleventh Respondent A company registered in the Republic of Cyprus It is incorporated as an SPV for the purpose of owning Villa Le Cottage but it remained dormant until December 2007 Its shares are now legally owned 50:50 by Temur and Edgar It owns an 80% share in SCI Villa Le Cottage The director is Mittelmeer The former director is Page Directors
Borderedge Joinder Application	The Wife's application of 20 July 2020 seeking to join Borderedge to the proceedings
Borderedge Transfer	€27.5million is transferred from Cotor to the Genus Trust and then to Borderedge on 28 November 2016
Carnation Trust	A Liechtenstein trust established on 13 October 2017 Counselor is the trustee
Charging Order	Knowles J order of 3 August 2020 granting an interim charging over Temur's flat
Clearfield Middle East Holdings Ltd ["Clearfield"]	A corporate structure established by the Husband in the UAE to replace Cotor as the holding company for the Monetary Assets
Cotor	The Husband's family office
Cotor Investment Sa ["Cotor"]	Former (legal) owner of the Monetary Assets and Artwork Third Respondent A company incorporated in Panama Found to be the Husband's nominee The holding company of the Monetary Assets and Artwork
Counselor Trust Reg: "Eighth Respondent"	A trust company incorporated and registered in Liechtenstein The directors of Counselor are/were Dr Schurti, Dr Blasy, Mr Hanselmann, Dr Ernst Walch and Dr Barbara Walch

	Trustee of a number of Liechtenstein trusts known as the Simul Trust, the Genus Trust, the Arbaj Trust, the Navy Blue Trust, the Ladybird Trust and the Carnation Trust Director of Straight
Counselor/Sobaldo Freezing Order	Order of Knowles J of 15 August 2019 granting the Wife's application issued on 17 July 2019 for a freezing order against Counselor and Sobaldo
Dr Barbara Walch	Former partner of Walsh & Schurti and Schurti Partners Former director of Counselor and WalPart
Dr Blasy	Partner of Walsh & Schurti and Schurti Partners Director of Counselor and WalPart Holds powers of attorney to act for Cotor
Dr Ernst Walch	Former partner of Walch & Schurti and Schurti Partners Former director of Counselor and WalPart Director of Counselor of Sobaldo
Dr Mamadzhanov	SJE valuer of the Moscow Property
Dr Schurti	Director of WalPart, Walsh & Schurti and Schurti Partners Holds powers of attorney to act for Cotor Performs the establishment of the Navy Blue Trust and Straight
Dubai Structures	The collective term used to refer to Paveway Middle East Holdings Ltd, Clearfield and Nina Middle East Holdings Ltd Also referred to as the UAE Structures
Edgar Akhmedov	Second son of the Wife and the Husband
Emirates NBD	Dubai Bank used in the implementation of the Security Scheme
Farkhad Teimur Ogly Akhmedov ["the Husband"]	First Respondent husband
FIU	The Liechtenstein Financial Intelligence Unit
Forensic Examination Application	The Wife's application of 20 July 2020 and seeking an order for delivery up of and the forensic examination of Temur's electronic devices
Genus Trust	A Liechtenstein trust Counselor is the trustee
GT Loan	Counselor as trustee of the Genus Trust Document seeking to conclude a Loan Agreement between Borderedge and Counselor as trustee of the Genus Trust which would have characterised the Borderedge Transfer as a loan
Kerman and Co	A law firm instructed by the Husband to act for him and to devise and implement his asset protection strategies
Ladybird Trust	A Liechtenstein trust established on 21 February 2017 Counselor is the trustee
LGT Bank ["LGT"]	A Liechtenstein private bank Cotor, the Arbaj Trust and the Genus Trust hold an account here
Liechtenstein Scheme	The same asset protection scheme as the Security Scheme and the Middle East Scheme Implemented through WalPart, Counselor, Schurti Partners and Walch & Schurti

Liechtenstein Trusts also referred to as the Trusts	The collective noun for the various trusts established in Liechtenstein
Longlaster Trust	A Liechtenstein trust established on 16 February 2017 Sobaldo is the trustee
M/Y Luna ["the Yacht"]	A superyacht purchased by the Husband for 260 million euros from Roman Abramovich Subject to a "*dummy sale*" from Tiffany to Avenger The Husband has been granted use of the Yacht and pays for its maintenance
Middle East Scheme	The scheme whereby the Husband intended to charge his moveable assets to an offshore bank and deposited the proceeds of the "*loan*" with the same bank so that any attempt by the Wife to enforce against those moveable assets would be met by the bank asserting a security interest Also referred to as the Security Scheme
Mirabaud	A Swiss private bank with a UAE subsidiary
Mittelmeer Directors Ltd ["Mittelmeer"]	A corporate service provider Directors of Borderedge, started acting on 17 September 2020 Director of Sunningdale until appointment of an interim receiver
Monetary assets	The cash and securities originally held by Cotor in its UBS account in Switzerland
Moscow Property	9 Solyanka Street, Moscow
Mr Canderle	STE's investment advisor
Mr Devlin	An associate of Mr Kerman Former solicitor at Kerman & Co General Counsel to STE
Mr Hanselmann	Director of Counselor, Sobaldo and WalPart Accountant and professional trustee in Liechtenstein
Mr Henderson	Director of Cotor Asset Management until August 2015
Mr Kerman	The Husband's solicitor and man of business Partner of Kerman & Co
Mr Kirill Trukhanov	SJE witness on Russian law
Ms Abashkina	Alleged representative of Sunningdale
Ms Nafti	Accountant to Borderedge
Ms Potsi	Director of Pagecorp
Ms Sagadeeva	Secretary associated with the Husband and Temur Temur grants her power of attorney on 16 February 2020 entitling her to enter into an agreement to terminate the 2018 agreement concerning the Moscow Property
Ms Shcheglova	The Husband's personal lawyer in Russia Holds power of attorney for Sunningdale
Ms van Engelen	Employee of SCI VLC used by Temur to arrange the loss of a parcel containing an old device to provide a false excuse for his non-compliance with the Forensic Examination Order in July 2020 Property manager of Villa le Cottage
Navy Blue Trust	A Liechtenstein trust established on 16 February 2017 Counselor is the trustee

	Neue Artemis Stiftung is the protector Dr Schurti performs the establishment on 16.02.2017 Holds the founder's rights to Straight
Neue Artemis Stiftung	A Liechtenstein Foundation Apparent protector of the Simul Trust and the Navy Blue Trust The majority of the board members are Husband and his two brothers
Nina Middle East Holdings Ltd	A corporate structure established by the Husband in the UAE to act as a holding company for the Artwork and the Yacht as part of the Middle East Scheme
Other Matters Order	Knowles J order of 10 August 2020 varying the Temur WFO, requiring Temur to produce documents under the Part 71 application and requiring him to take steps in respect of the Forensic Examination Order
Page Directors Ltd ["Page Directors"]	Former directors of Borderedge Ceased acting on 17 September 2020 Part of the Pagecorp Group
Pagecorp Group	A Cypriot corporate services provider On its website, it describes itself as providing, *"nominee services"* (including "corporate or individual directors")
Part 71 Application	The Wife's application of 29 July 2020 seeking an order requiring Temur to attend court for cross-examination on his means
Pasha Bank in Azerbaijan	A bank in Azerbaijan where the Husband and Temur hold personal accounts
Paveway Middle East Holdings Ltd	A corporate structure established by the Husband in the UAE to replace Woodblade
Qubo 1 Establishment ["Qubo 1"]	Fourth Respondent A Liechtenstein establishment owned by Counselor in its capacity as trustee of the Simul Trust Sole director is WalPart Found to be the Husband's nominee Established on 21 October 2016 Owner of the Artwork
Qubo 2 Establishment ["Qubo 2"]	Fifth Respondent A Liechtenstein establishment owned by Counselor in its capacity as trustee of the Simul Trust Sole director is WalPart Found to be the Husband's nominee Established on 21 October 2016 Owner of the Yacht following transfer from Avenger in December 2016 until transfer of the Yacht to Straight
Reed Smith	A firm of lawyers with an office in the UAE engaged by the Husband (through Mr Kerman) to implement the Security Scheme
Reporting Restrictions Applications	Temur's application of 25 March 2020 seeking to impose reporting restrictions on the media and prohibiting the parties from disclosing documents from these proceedings to third parties
Schurti Partners	A Liechtenstein law firm

	Formerly known as Walch & Schurti
SCI Villa Le Cottage ["SCI VLC"]	A French company incorporated on 20 December 2007 An SCI is a specialist type of French legal entity which is used to own and manage real property 80% is owned by Borderedge The remaining 20% is owned by the Wife It owns Villa Le Cottage in Cap Ferrat, France The purchase was financed by the VLC Mortgage The Wife was the manager at all material times There is now an administrator appointed in ongoing legal proceedings between the Wife and Borderedge in France
SCI Villa Pomme de Pin ["SCI VPP"]	Established in January 2016 Temur and Edgar own 50% each of SCI VPP It owns Villa Pomme de Pin The purchase was financed by the VPP Mortgage
Search Order	Order of Mrs Justice Knowles dated 28 October 2020 pursuant to ex parte application by the Wife for a search and forensic imaging order against Temur, return date 4 November 2020
Security Scheme	Also referred to as the Middle East Scheme (see above)
Simul Trust	A Liechtenstein trust established on 10 October 2016 Counselor is the trustee The beneficiaries are the descendants of the Husband's late mother The apparent protector is a Liechtenstein foundation named Neue Artemis Stiftung Holds the founder's rights in Qubo 1 and Qubo 2
Single Transfer Claim	The Wife's claim, as an alternative to the Subsequent Transfer Claim, that she can bring a direct claim against Borderedge in respect of the Borderedge Transfer
Sobaldo Establishment ["Sobaldo"]	Ninth Respondent A trust company incorporated and registered in Liechtenstein Its directors are Dr Schurti, Dr Ernst Walch and Mr Hanselmann Its registered address is "c/o WalPart Trust Registered" Trustee of the Longlaster Trust
Solyanka Servis	A Russian holding company It owns the freehold title to the Moscow Property
Stay Application	Counselor's and Sobaldo's application of 26 February 2020 for a stay of the present proceedings against them
STE Capital ["STE"]	A business in which Temur is heavily involved
Stern Management Corp	Parent company of Avenger
Straight Establishment ["Straight"]	Sixth Respondent A Liechtenstein establishment owned by Counselor in its capacity as trustee of a Liechtenstein trust known as the Navy Blue Trust Dr Schurti performs the establishment on 16.02.2017 Sole director is Counselor
Strike Out Application	The Wife's application of 28 February 2020 seeking to strike out Temur's Disclosure Application and Temur's counterclaim

	relating to the Wife litigation funding
Subsequent Transfer Claim	The Wife's claim that she is entitled to relief against Borderedge consequential upon the Borderedge Transfer
Sunningdale Limited ["Sunningdale"]	A Cypriot company owned by the Husband The indirect owner of the Moscow Property Holds 100% of the shares in Solyanka Servis Subject to the appointment of an interim receiver by the Cypriot courts
Tatiana Akhmedova ["the Wife"]	Applicant wife Mother to Temur and Edgar
Temur Akhmedov ["Temur"]	Tenth Respondent Eldest son of the Wife and the Husband
Temur WFO	Knowles J order of 17 July 2020 granting the WFO Application
Temur's Counterclaim	Alleging breach of confidence or privacy with respect to documents provided by Mr Henderson and applying for the Wife to be injuncted from using the same
Temur's Disclosure Application	Temur's application of 29 November 2019 for an order seeking disclosure against the Wife in respect of her litigation funding arrangements
Termination Agreement	Notarised agreement between Sunningdale and Temur (executed by Ms Sagadeeva on his behalf) terminating an earlier agreement for the transfer of shares in Solyanka Servis from Sunningdale to Temur and reversing the transfer (the "Termination Agreement")
Termination Claim	Claim brought in Moscow by Sunningdale against Temur to recover the shares in Solyanka Servis
Tiffany Limited ["Tiffany"]	A company incorporated in the Isle of Man and owner of the Yacht before a 'dummy sale' to Avenger in 2014 using funds derived from Farkhad's bank account
Treasure House	A secure storage facility in Liechtenstein where the Artwork was physically transferred to from a freeport in Switzerland
UAE Structures	The collective term used to refer to Paveway Middle East Holdings Ltd, Clearfield and Nina Middle East Holdings Ltd. Also referred to as the Dubai Structures
UBS also referred to as UBS Switzerland	A Swiss private bank Cotor had an account with UBS Switzerland containing the Monetary Assets
UBS Monaco S.A. ["UBS Monaco"]	USB Monaco financed the VLC Mortgage
Villa le Cottage	A valuable property in Cap Ferrat, France It is owned by SCI Villa le Cottage In 1995 the Akhmedov family purchased it from a Luxembourg company wholly beneficially owned by the Husband
Villa Pomme de Pin	A neighbouring property to Villa le Cottage purchased by SCI VPP in January 2016 for €6.79million
VLC Mortgage	The collective noun used to refer to the 2012 and 2014 mortgages with UBS Monaco for SCI VLC to repay the loan given by Borderedge to purchase Villa le Cottage

	They were secured not only by a charge over Villa le Cottage but also by a guarantee from UBS Switzerland That guarantee was backed by cash collateral of €19.135 million held by Cotor in an account at UBS Switzerland
VPP Mortgage	UBS Monaco provided a mortgage to SCI VPP, secured by cash collateral of EUR6.7 million held by Cotor in an account at UBS Switzerland, for the purchase of Villa Pomme de Pin
Walch & Schurti	A Liechtenstein law firm specialising in "*asset protection"* and working *"in close cooperation"* with WalPart Now known as Schurti Partners The original partners were Dr Schurti, Dr Blasy, Dr Ernst Walch and Dr Barbara Walch
WalPart Trust Reg ["WalPart"]	A licensed trust companies in Liechtenstein The directors of WalPart are/were Dr Schurti, Dr Blasy, Mr Hanselmann, Dr Ernst Walch and Dr Barbara Walch Sole director of Qubo 1 and Qubo 2
WFO Application	The Wife's application of 1 July 2020 seeking a worldwide freezing injunction up to the value of US$120 million and ancillary orders against Temur
Wife's Disclosure Application	The Wife's application of 15 November 2019 seeking orders for standard and specific disclosure against, Temur, Counselor and Sobaldo
Woodblade Limited ["Woodblade"]	Second Respondent A company registered in the Republic of Cyprus The Husband is the director Trustee of the Bermudan Trust of which the Husband was the *'settlor', 'principal beneficiary'* and *'protector'*

Part Two: Glossary of reported decisions

Date	Judge	Report	Description
15.12.2016	Haddon-Cave J	AAZ v BBZ & Ors [2016] EWHC 3234 (Fam) Also: [2017] 2 FCR	Final Hearing in the Wife's application for an order for financial relief

		415, [2017] WTLR 765, [2018] 1 FLR 153	
20.12.2016	Haddon-Cave J	AAZ v BBZ & Ors [2016] EWHC 3349 (Fam) Also: 2017] 2 FCR 450, [2017] 4 WLR 84, [2017] WLR(D) 346	Ancillary to the judgment of 15 December 2016, finding Qubo 1 and Qubo 2 are alter egos of the Husband and setting aside all dispositions of the Artwork and Monetary Assets Regards an anti-tipping off order and privilege
20.12.2016	Haddon-Cave J	AAZ v BBZ & Ors [2016] EWHC 3361 (Fam)	Ancillary to the judgment of 15 December 2016
27.02.2018	Sir James Munby (P) Lewison LJ King LJ	Kerman v Akhmedova [2018] EWCA Civ 307 Also: [2018] 2 FCR 161, [2018] 2 FLR 354, [2018] 4 WLR 52, [2018] WLR(D) 128	Appeal by Mr Kerman of Haddon-Cave J's order summoning Mr Kerman to give evidence
19.04.2018	Haddon-Cave J	Akhmedova v Akhmedov [2018] EWFC 23, [2018] 3 FCR 135	The court declared void and set aside transactions designed by the Husband to conceal assets in a web of off-shore companies to evade enforcement of ancillary financial relief orders, and validated service retrospectively on the companies
03.07.2019	Knowles J	Akhmedova v Akhmedov & Ors (Injunctive Relief) [2019] EWHC 1705 (Fam) Also: [2019] 3 FCR 19	An urgent application for injunctive relief
02.10.2019	Knowles J	Akhmedova v Akhmedov & Ors [2019] EWHC 2561 (Fam)	An ex parte application to join Counselor and Sobaldo as a party to proceedings and seeking freezing orders and ancillary orders against the same
17.10.2019	Knowles J	Akhmedova v Akhmedov & Ors [2019] EWHC 2732 (Fam)	Return date for the orders made on 2 October 2019
22.11.2019	Knowles J	Akhmedova v Akhmedov [2019] EWHC 3140 (Fam) Also: [2020] 1 FCR 411	Judgment granting Wife's application for permission to retain and use in the proceedings certain documents provided by Mr Henderson, pursuant to the "fraud"

			or iniquity exception to privilege
12.06.2010	Knowles J	Akhmedova v Akhmedov & Ors (Litigation Funding) (Rev 1) [2020] EWHC 1526 (Fam)	Judgment in the Wife's Disclosure Application against Temur and the Strike Out Application and Temur's Disclosure Application and Temur's counterclaim relating to the Wife's litigation funding
14.08.2020	Knowles J	Akhmedova v Akhmedov & Ors [2020] EWHC 2235 (Fam)	Judgment in the Wife's Disclosure Application against Counselor and Sobaldo and the Stay Application and in committal proceedings
18.08.2020	Knowles J	Akhmedova v Akhmedov & Ors [2020] EWHC 2257 (Fam)	Judgment in the Wife's application to vary the freezing order against the Husband
28.10.2020	Knowles J	Akhmedova v Akhmedov & Ors [2020] EWHC 3005 (Fam)	Judgment accompanying the Search Order
04.11.2020	Knowles J	Akhmedova v Akhmedov & Ors [2020] EWHC 3006 (Fam)	Judgment made at the return date for the Search Order
07.12.2020	Knowles J	Akhmedova v Akhmedov & Ors [2020] EWHC 3736 (Fam)	Judgment in the Wife's application to adduce a witness statement from Ms van Engelen

Part Three: Chronology

Date	Event
1995	The Akhmedov family purchase Villa Le Cottage from a Luxembourg company wholly beneficially owned by the Husband
08.05.2005	Borderedge is incorporated as an SPV for the purpose of owning Villa Le Cottage but it remains dormant until December 2007

13.12.2007	To fund SCI VLC's purchase of Villa Le Cottage, Cotor agrees to lend Borderedge the sum of EUR15 million
20.12.2007	Borderedge and the Wife arrange for the incorporation of SCI VLC
2010	Borderedge transferred from the Husband to Temur and Edgar in equal shares
November 2012	The Husband sells his interest in ZAO Northgas for US$1.375 billion
December 2012	For tax planning purposes, SCI VLC decides to repay the loan to Borderedge and obtain external financing from UBS Monaco for Villa Le Cottage. SCI VLC mortgage Villa Le Cottage with UBS Monaco to raise the sum of EUR17.2 million. The proceeds of this loan are paid by SCI VLC to Borderedge and, from there, ultimately to the Husband personally
2013	Temur says there is an agreement between him and the Husband that the Husband would pay sums to Temur so that he could invest in the stock markets
30.10.2013	The Wife's petition for financial relief is issued
12.12.2013	Email from the Husband to Temur about a present stating, *"I remember that on you[r] 20 years anniversary what present (2.$) I have promised … This capital can be good start for you[r] own management experience!"*
23.12.2013	The Wife's petition for financial relief is served
07.01.2014	The Husband pays Temur US$2 million from his personal account
February 2014	The Husband purchases the Yacht The Yacht is later that year subject to a dummy sale between Tiffany and Avenger using funds from the Husband's own bank account
18.02.2014	The Husband pays Temur US$3 million from his personal account
August 2014	Mr Henderson begins to run the Akhmedov family office His main roles was to manage the family's investments, principally those of Cotor
06.11.2014	Email from Mr Moore of Reed Smith
Thereafter	The Husband establishes Paveway Middle East Holdings Ltd, Clearfield and Nina Middle East Holdings Ltd The Husband and Clearfield open accounts with Emirates NBD Extensive discussions with Emirates NBD regarding the proposed security scheme Steps are taken to prepare transfers of the Husband's other assets (such as the Artwork and Yacht) to the UAE
December 2014	The mortgage with UBS Monaco is refinanced with replacement mortgage in the same sum Dummy sale of the Yacht
2014 or 2015	The Wife learns that Temur is engaged in real time trading
17.03.2015	The Husband purports to assign the entire issued share capital in Sunningdale to the Bermudan Trust Temur admits in his defence, the Husband remained the true

	owner of Sunningdale
01.05.2015	Email from Mr Kerman to Temur regarding prospects of the Wife enforcing an English order for financial relief
W/c 04.05.2015	A meeting in Qatar attended by the Husband and Temur and Edgar in pursuit of the Husband's scheme to evade compliance in the English financial remedy proceedings
04.05.2015	Transfer of US$7.5 million from Cotor to Temur
Thereafter	The Husband paid US$8.976million to Edgar
11.05.2015	Email from Temur to Mr Kerman stating that "*Meeting… was very good*" and about moving "*carrots*"
June 2015	Mr Kerman and Temur meet with Mirabaud Mr Kerman records that *"Mirabaud appears to cater for just the kind of situation [the Husband] is in"* The Husband and Temur actively explore opening an account with Mirabaud Temur accepts he knew the Husband was trying to put in place a structure to move his assets to make enforcement of an English judgment difficult for the Wife
09.06.2015	Email from Mr Kerman to Temur stating*"… we have been trying to put in place a structure in the UAE, where it would be very difficult for your Mother to enforce an English judgment"* This email is forwarded by the Husband to Mr Henderson
10.06.2015	Email from Mr Kerman to Temur seeking to persuade Mr Henderson of steps the Husband would need to take to protect his assets This email was later forwarded to him by a lawyer at Reed Smith
22.06.2015	Court hearing in the English financial remedy proceedings Email from Mr Kerman answering questions the Husband's questions about the Security Scheme
23.06.2015	Email from Mr Kerman to Temur advising to move assets to a "safe" jurisdiction and describing the Security Scheme
29.06.2015	Temur, Mr Kerman and Mr Devlin meet with Mirabaud
July 2015	Meeting in Dubai with Reed Smith attended by Temur Mr Kerman meets with the chairman of Mirabaud and reports the results to Temur
07.07.2015	Email from Temur comparing what bank to use
09.07.2015	Transfer of US$7.9 million from the Husband to Temur
14.07.2015	Email from Mr Kerman to Temur explaining in greater detail the Security Scheme
31.07.2015	Settlement meeting scheduled It is unsuccessful
17.08.2015	Failing to reach settlement at the meeting on 31 July 2015, the Husband decides to move his assets Temur gives instructions to transfer the Monetary Assets in Cotor to the UAE Instructions are also given to transfer other assets, including the Yacht, into the Dubai Structures
24.08.2015	The transfers to the Dubai Structures were stopped because of

	market volatility and only US$50 million in Cotor's portfolio was available Mr Henderson sacked by the Husband with immediate effect
25.08.2015	US$50 million is transferred from Cotor to Temur personally instead of to the Dubai Structures
12.09.2015	Email from Mr Kerman to Temur identifying Dubai as a safe jurisdiction for the Security Scheme
13.09.2015	Email from the Husband to Temur re-instating the transfers of the Monetary Assets and the Artwork and the Yacht Email chain between Mr Kerman and Mr Devlin and Temur stating *"if the Tatiana problem did not exist, my Father would not move his assets anywhere…!!"* Email from Mr Kerman that, *"All the reasons I gave you are excuses you could use to her lawyers/court"*
20.09.2015	The transfer of the Monetary Assets (US$937 million) transferred to Clearfield at Emirates NBD
September 2015	The Husband's lawyers in the English financial remedy proceedings record agreeing to inform the Wife of when the Husband no longer intends to participate in those proceedings
05.10.2015	Email from Mr Kerman to Temur describing the Security Scheme
15.10.2015	Email from the Husband to Temur stating that his assets would go to Temur and Edgar but they needed to protect them from a "*mam attack*"
20.10.2015	The Husband decides to move the Monetary Assets back to Cotor's UBS account in Switzerland because Emirates NBD refuses to participate in the Security Scheme
21.10.2015	*Form E the Husband*
December 2015	Mr Devlin meets with Mirabaud and reports that *"however our client's (first) son [Temur] was sadly unable to attend our meeting as planned, meaning that the father would not make a final decision"*
January 2016	SCI VPP is established and purchases Villa Pomme de Pin for EUR6.79million, financed by the VPP Mortgage
March 2016	The Respondents disclosed hardly any contemporaneous documents from this point onwards WhatsApp messages exchanged: the Husband says, *"We should take all out and send her naxyj [ie fuck off]/ I will burn this moneys rather then will give her"* Temur replies saying, *"agree/ doesn't deserve $1 penny"* Temur arranges meetings with new lawyers regarding trust arrangements
17.05.2016	Transfer of US$5 million from Cotor to Temur via Avenger
08.06.2016	Transfer of US$5 million from Cotor to Temur
20.07.2016	Meeting between Mr Kerman, Dr Schurti and Dr Blasy. The topic was to move the Bermudan Trust to Liechtenstein Dr Schurti recommends LGT to Mr Kerman
22.07.2016	Mr Kerman contacts LGT
01.08.2016	Mr Kerman sends a letter to LGT providing details of the

	Husband and the Bermudan Trust and setting out a proposal to open an account in the name of Cotor
02.08.2016	A meeting between Mr Kerman and LGT
September 2016	Temur gives a witness statement supportive of the Husband in the English financial remedy proceedings
10.10.2016	The Simul Trust is established
12.10.2016	The Genus Trust is established
21.10.2016	Qubo 1 and Qubo 2 established
25.10.2016	The Wife seeks to join Woodblade and Cotor at a PTR The Husband appears via counsel Last direct participation by the Husband in any English proceedings
31.10.2016	Cotor opens an account with LGT
November 2016	Temur raises the possibility of transferring assets to Mirabaud Extensive correspondence between the Husband, Temur, Mr Kerman, UBS and LGT to arrange the transfer of the Monetary Assets from UBS to LGT
Mid November	The Artwork is transferred from Cotor to Qubo 1 The Artwork is physically moved from a freeport in Switzerland to a vault in the Treasure House Walch & Schurti draw up the documents Dr Schurti and Dr Blasy are given powers of attorney to act for Cotor
22.11.2016	Cotor transfers €35.8 million from UBS Switzerland to its EUR account at LGT
25.11.2016	Borderedge appoints Temur and Edgar as authorised signatories at UBS Switzerland with unlimited authority to sign Borderedge also signs written instructions to UBS Switzerland *"to carry on [the guarantee for the VLC and VPP Mortgages previously provided by Cotor] at my/our full responsibility and liability"*. That instruction is signed by Page Directors as sole director of Borderedge Borderedge enters into a pledge of all its assets to UBS Switzerland, the same being signed by Page Directors on behalf of Borderedge Mr Kerman directs Ms Potsi to arrange for documents to be urgently executed and scanned to UBS Switzerland Mr Devlin told Ms Potsi to execute forms on behalf of Borderedge as soon as possible today In return, UBS Switzerland confirmed that the undertakings in respect of the VLC and VPP Mortgages have been transferred from Cotor to Borderedge Mr Devlin asked Dr Blasy to *"urgently instruct LGT to transfer the sum of EUR 27.5 million from the Cotor accounts to the account of Borderedge Limited at UBS…"* Dr Blasy suggests the above should be an interest free loan
26.11.2016	Mr Kerman replies to Dr Blasy suggestion and confirms the interest free loan
28.11.2016	The Genus Trust opens an account with LGT account Cotor transfers €35.8 million from its LGT to the Genus Trust

	at LGT. This is arranged by Walch & Schurti The Genus Trust transfers €27.5 million to Borderedge The Borderedge Transfer is completed Ms Potsi observes *"… all the forms were prepared by [Mike Brun]/the bank in liaison with you [Mr Kerman]/Sebastien (all forms were forwarded to me already completed for execution)"*
November/December 2016	The Monetary Assets (US$650million) were transferred from UBS to LGT The Husband instructs UBS to transfer Avenger's funds to Cotor's USB account and then to Cotor's LGT account Counselor as trustee of the Genus Trust seeks to conclude the GT Loan
29.11.2016 – 05.12.2016	Trial of the Wife's application for financial remedies before Haddon-Cave J On the second day of the trial the Yacht is transferred to Qubo 2 The Wife's application for an order compelling Mr Kerman to attend and give evidence is granted
01.12.2016	Cotor transfers all the Monetary Assets held by it with LGT to an account in the name of the Genus Trust at LGT
02.12.2016	Transfer of US$1 million from the Husband to Temur
05.12.2016	UBS advises the account balance on Avenger and Cotor's accounts is zero
05-07.12.2016	Transfer as per the Husband's instructions totalling US$971,001
15.12.2016	Judgment of Haddon-Cave J awarding the Wife £453,567,152
16.12.2016	A letter from Counselor, countersigned by Dr Schurti, is sent to Page Directors regarding the GT Loan
20.12.2016	Two further judgments of Haddon-Cave J Qubo 1 and Qubo 2 are joined as respondents Date of the Financial Remedies Order The transaction of 17 March 2015 is set aside
28.12.2016	The Princely Court in Liechtenstein grants payment orders against Qubo 1 and Qubo 2 and freezing orders The Liechtenstein Constitutional Court has subsequently held that the English judgment against Qubo 1 and Qubo 2 is not enforceable but the freezing orders have remained in place
29.12.2016	Qubo 1 and Qubo 2 are served with the Liechtenstein District Court freezing order
January 2017	The Wife begins enforcement proceedings in Switzerland against Cotor
03.01.2017	The Wife obtains a freezing order in Liechtenstein against Cotor
04.01.2017	Monetary Assets no longer held in Cotor's LGT account LGT later informed the Liechtenstein court that it did not hold any "*attachable assets*" on behalf of Cotor as at 4 January 2017
09.01.2017	The Arbaj Trust is established
From 13.01.2017	The Genus Trust transfers US$36.6 million, CHF 4 million and £1 million to the Arbaj Trust, which distributes those funds to

	the Husband
20.01.2017	It is purported that Page Directors and Borderedge execute the GT Loan agreement
23.01.2017	Ms Potsi emails Mr Kerman and Mr Devlin a partially executed GT Loan agreement and asked to *"please give us some more information about this matter and advise"*
07.02.2017	Dr Schurti and the Husband meet in Miami
16.02.2017	Dr Schurti creates the Navy Blue trust The Longlaster Trust is established Ms Potsi emails asking what to do with the GT Loan agreement
17.02.2017	Dr Schurti establishes Straight
21.02.2017	The Ladybird Trust is established
Date(s) unknown	The Longlaster Trust transfers funds to the Ladybird Trust The Ladybird Trust then makes transfers to the Husband personally (US$44 million) at his USB account in Switzerland and for works on the Yacht and pays a retainer to Walch & Schurti
08.03.2017	The Yacht is transferred from Qubo 2 to Straight The Navy Blue Trust grants use of the Yacht to the Husband and his family
12.05.2017	The Wife lodges a criminal complaint with the Liechtenstein State Prosecutor against the Husband, Cotor and persons unknown for thwarting enforcement It has now been extended to cover a serious offence of fraudulent bankruptcy and money laundering and to cover Qubo 1, Dr Schurti and Dr Blasy
13.06.2017	Transfer US$5 million from the Husband to Temur
June – September 2017	The Genus Trust transfers some of the Monetary Assets to an account in its name at Bendura Bank
01.09.2017 - 05.09.2017	SCI VLC defaults on the VLC Mortgage because it did not have a source of income to service the interest UBS Monaco satisfies the VLC Mortgage by calling on the guarantee from UBS Switzerland, which in turn appropriates EUR17,280,673 from the cash collateral held in Borderedge's bank account Borderedge admit that this entitles it to claim the sum of EUR17,280,673 from SCI VLC which now holds unencumbered title to Villa Le Cottage Borderedge still remains subject to its undertaking to UBS Switzerland for a sum of €6.7 million to secure repayment of the VPP Mortgage by SCI VPP and Borderedge's assets are pledged to UBS Switzerland accordingly
12.10.2017	Transfer of US$5 million from the Husband to Temur
13.10.2017	The Carnation Trust is established
20.10.2017	Ms Nafti askes Dr Devlin for the executed version of the GT Loan
Date(s) unknown	The Longlaster Trust transfers funds to the Carnation Trust The Carnation Trust then makes a transfer to the Husband personally at his USB account in Switzerland and Pasha Bank

	(US$68 million)
November 2017	Mr Henderson provides copies emails/documents from his work computer to the Wife's Swiss, Liechtenstein and English lawyers
January 2018	Burford Capital agree to provide the Wife with litigation funding
February 2018	An attempt to transfer US$120 million out of the Monetary Assets via the Carnation Trust to the Husband personally by the Liechtenstein Trusts. This was blocked by the FIU as a suspicious transaction
13.02.2018	Transfer of US$5 million from the Husband to Temur
27.02.2018	Appeal by Mr Kerman of Haddon-Cave J's order summoning Mr Kerman to give evidence
02.03.2018	The Longlaster Trust's account at Bendura Bank holds a balance of US$546,735,165
05.03.2018	Criminal restraint order placed on the accounts held by the various Liechtenstein Trusts. Over US$148.7 million of the Monetary Assets have been paid to the Husband personally by the Liechtenstein Trusts Since then US$445million has been transferred to the Husband personally
21.03.2018	Order of Haddon-Cave J piercing Straight's corporate veil, declaring Straight to be the Husband's alter ego, ordering the Yacht to be transferred to the Wife and requiring Straight to pay the judgment debt to the value of the Yacht if the Yacht is not transferred
April 2018	Judgment of Haddon-Cave J Sunningdale transfers its ownership of part of the Moscow Property to Solyanka Servis
17.05.2018	Transfer of US$3 million from the Husband to Temur
29.05.2018	Transfer of US$3 million from the Husband to Temur
June 2018	The Moscow Property is worth RUB546,435,400 = £6.58 million using the exchange rate at that time
13.06.2018	Ms Nafti asks Mr Devlin for the executed version of the GT Loan
15.06.2018	Agreement for the sale and purchase of shares in Solyanka Servis for RUB50million entered into by Temur = £600,000 This sale price was not paid
22.06.2018	Temur acquires 100% ownership in Solyanka Servis Temur obtained an absolute property right in the Moscow Property
22.06.2018 – 26.05.2020	Temur remains the sole owner of Solyanka Servis without restrictions
02.10.2018	Transfer of US$3 million from the Husband to Temur
31.11.2018	Ms Shcheglova purportedly sends a letter to Temur demanding that Temur execute an agreement before a notary to terminate the purchase agreement for the Moscow Property, failing which Solyanka Servis would apply to the Moscow Arbitrazh

	Court
01.12.2018	Temur purportedly responds to Ms Shcheglova and does not object to the termination of the purchase agreement
2019	The Supreme Court of Switzerland find that the final order of Haddon-Cave J was in principle enforceable, at least in part, under the Lugano Convention and remits some issues to the Zurich Court of Appeal
22.01.2019	Transfer of US$1 million from the Husband to Temur
26.02.2019	Dr Schurti admits to the High Court of the Marshall Islands that he acted to shield the Yacht and the Simul Trust from enforcement efforts
18.03.2019	Transfer of US$2 million from the Husband to Temur
06.05.2019	Transfer of US$4,999,994 from the Husband to Temur
14.05.2019	The Liechtenstein Constitutional Court finds that the attempt to transfer US$120 million via the Carnation Trust to the Husband in February 2018 was initiated by the Husband
26.06.2019	Dr Barbara Walch ceases being a director
03.07.2019	Dr Ernst Walch ceases being a director Judgment in an urgent application for injunctive relief by the Wife
17.07.2019	The Wife issues the current enforcement proceedings. She applies to join Counselor and Sobaldo, for freezing orders and ancillary orders against them
15.08.2019	Order of Knowles J joining Counselor and Sobaldo to these proceedings and granting the Counselor/Sobaldo Freezing Order
19.08.2019	Letter from Counselor to Borderedge purportedly agreeing to extend the GT loan for 10 years
26.08.2019	Transfer of US$3,999,994 from the Husband to Temur
19.09.2019	The Wife begins proceedings in Liechtenstein on the merits against Qubo 1 and Qubo 2
02.10.2019	Judgment in an ex parte application to join Counselor and Sobaldo as a party to proceedings, and for freezing orders and ancillary orders against the same
17.10.2019	Judgment from the return date for the orders made on 2 October 2019
04.11.2019	The Wife is given permission to rely on contested documents within these proceedings
13.11.2019	Binding Advice by the Liechtenstein District Court
15.11.2019	The Wife's Disclosure Applications filed
22.11.2019	Judgment in the Wife's application for orders permitting the use of documents provided to the Wife by Mr Henderson
29.11.2019	Temur's Disclosure Application filed
23.12.2019	The Liechtenstein Criminal Courts observes that multiple transfers of the Monetary Assets in a short period of time supports the suspicion of fraudulent bankruptcy
01.01.2020	New Director's Indemnity Agreement for Borderedge
20.01.2020	Order of Knowles J joining Temur to these proceedings and giving directions in the claims against Counselor, Sobaldo and

	Temur
31.01.2020	The Wife's Particulars of Claim are served
03.02.2020	Sunningdale commences the Termination Claim
16.02.2020	Temur appears before a notary to grant a power of attorney to Ms Sagadeeva entitling her to enter into an agreement to terminate the 2018 sale and purchase agreement concerning the Moscow Property
20.02.2020	Temur's defence in these proceedings is filed and served
21.02.2020	The Wife is granted private party status in the Liechtenstein criminal investigation of Qubo 1 The Liechtenstein Criminal Courts observes that multiple transfers of the Monetary Assets in a short period of time supports the suspicion of fraudulent bankruptcy The Trusts' defence in these proceedings is filed and served
26.02.2020	The Stay Application is filed
28.02.2020	The Strike Out Application is filed
03.03.2020	The Zurich Court of Appeal dismisses the Wife's petition for a declaration of enforceability The Wife's appeal of this decision is ongoing
25.03.2020	The Reporting Restriction Application is filed
06.05.2020	The Wife obtains a charging order over the shares in Sunningdale and an interim receiver is appointed over Sunningdale in the Republic of Cyprus
18.05.2020	Hearing before Knowles J
19.05.2020	Ms Sagadeeva executes the Termination Agreement
20.05.2020	Hearing of the Termination Claim None of the parties attend and it is adjourned
26.05.2020	Transfer of the shares in Solyanka Servis from Temur to Sunningdale is registered
01.06.2020	Order of the Cypriot court served on Sunningdale and the receiver wrote to Temur The Wife's solicitors write to Temur's then solicitors
03.06.2020	Temur's solicitors respond to the letter of the Wife's solicitor Mention of the Termination Agreement is omitted Temur states he is taking advice on Cypriot law Sunningdale enters into a notarised share purchase agreement by which it transfers the shares in Solyanka Servis to the Husband
09.06.2020	Transfer of the shares in Solyanka Servis from Sunningdale to Farkhad is registered
12.06.2020	Judgment in the Wife's Disclosure Application against Temur and the Strike Out Application and Temur's Disclosure Application and counterclaim relating to the Wife's litigation funding
19.06.2020	Order of Knowles J dealing with the Wife's Disclosure Application against Temur, Temur's Disclosure Application, the Strike Out Application and the Reporting Restriction Application. A Reporting Restriction Order is made, Temur's counterclaim

	relating to the Wife's litigation funding is struck out, standard disclosure from the Wife and Temur is ordered, specific disclosure from Temur is ordered An application for permission to appeal this order by Temur is refused by Knowles J
July 2020	Temur alleges that his electronic devices sent from France have disappeared The Wife's request for Further Information from Temur Temur estimates the value of SCI VLC to be EUR20million
01.07.2020	The WFO Application is filed
17.07.2020	Knowles J grants the Temur WFO Temur's disclosure statement is served
20.07.2020	The Forensic Examination Application and the Borderedge Joinder Applications are filed
23.07.2020	Order of Knowles J continuing the Temur WFO, granting the Forensic Examination Application and giving directions for the hearing of the Borderedge Joinder Application
29.07.2020	The Part 71 Application and application for the Charging Order is filed
31.07.2020	Temur issues an application to vary the Temur WFO
August 2020	Temur deletes an email account
03.08.2020	Order of Knowles J granting the Part 71 Application and in the Charging Order
10.08.2020	Order of Knowles J varying the Temur WFO to allow Temur to raise finance to fund legal representation and the Other Matters Order
14.08.2020	The 14 August Order Knowles J refuses Counselor's and Sobaldo's application for permission to appeal the 14 August Order Judgment in the Wife's Disclosure Application against Counselor and Sobaldo and the Stay Application and in committal proceedings
18.08.2020	Judgment in the Wife's application to vary the freezing order against the Husband
21.08.2020	Supplemental judgment of Knowles J following the June 2020 hearing
September 2020	The new Director's Indemnity Agreement for Borderedge is executed
04.09.2020	Borderedge joined as a party to these proceedings Moylan LJ refuses Temur permission to appeal the order of 19 June 2020
10.09.2020	Temur's bank account with Pasha Bank revealed
17.09.2002	Page Directors cease to be directors of Borderedge and are replaced by Mittelmeer
28.09.2020	Order of Knowles J bringing about the withdrawal of Temur's opposition to the Wife's application to the US District Court requiring Google to produce Temur's emails to Aon
02.10.2020	Borderedge disclosure the GT Loan agreement not executed by Borderedge

06.10.2020	Temur's solicitors say Temur was taking steps to obtain bank statements for his bank account with Pasha Bank
09.10.2020	Two expert reports received from Mr Trukhanov Expert report of Dr Mamadzhanov
19.10.2020	Temur's solicitors assert Temur's bank account belongs to his cousin of the same name
28.10.2020	Judgment in the Wife's ex parte application for the Search Order
04.11.2020	Judgment at the return date for the Search Order
06.11.2020	Borderedge's defective disclosure received, signed by Temur Knowles J's order granting Borderedge an extension of time to comply with disclosure obligations Borderedge disclose a fully executed GT Loan agreement
12.11.2020	Further defective disclosure from Borderedge received
26.11.2020	The Court of Appeal refuses Counselor's and Sobaldo's application for permission to appeal the 14 August Order The Wife's application seeking permission to adduce a witness statement from Ms Van Engelen
27.11.2020	Temur's files and serves witness statement denying breaches of court orders Temur's application to adjourn the hearing in response to the Wife's application of the previous day Temur's fifth witness statement
30.11.2020	Hearing before Knowles J begins This day and next day set aside for judicial reading Temur's solicitors write to the court and the parties to come off the record in the evening as Temur had not put them in funds In total this hearing is heard on 30 November, 1-4 December, 6-11 December, and 14 -18 December 2020
01.12.2020	Temur confirmed he was acting in person The Wife's representatives write to Temur seeking further information about his assets
02.12.2020	Temur appeared via video link from Moscow and without legal representation Temur applies to vary the order of 10 August 2020 to raise funding for legal representation Order of 10 August 2020 varied Knowles J's order requiring Temur to make further disclosure by 6 December 2020 and requiring Temur to return to the jurisdiction The Wife's application regarding Ms Van Engelen adjourned to 7 December 2020 Temur given permission to withdraw his application for an adjournment
03.12.2020	Temur returns to the jurisdiction Temur's legal representatives come back on the record
06.12.2020	Further disclosure received from Borderedge Temur files sixth witness statement
07.12.2020	Hearing before Knowles J resumes

	Temur's sixth witness statement admitting breaches of court orders Electronic devices of Temur delivered to Aon Further partial disclosure made by Temur Ms Van Engelen's witness statement admitted into evidence
08.12.2020	Temur files and serves amended fifth witness dated 9 October 2020
09.12.2020	Temur begins to give oral evidence Electronic devices of Temur delivered to Aon