



Neutral Citation Number: [2024] EWHC 1655 (Ch)

Case No: HC-2016-002798

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 24 June 2024

Before :

Mr Justice Zacaroli

Between :

Ras Al Khaimah Investment Authority
- and -
Farhad Azima

Claimant

Defendant

Thomas Plewman KC and Hugo Leith (instructed by Burlingtons Legal LLP) for the
Defendant and Counterclaimant

Hearing dates: **24th June 2024**

RULING

Mr Justice Zacaroli
(11:30 am)

Monday, 24 June 2024

Judgment and Ruling by **MR JUSTICE ZACAROLI**

1. I will continue the freezing order. The order was first made by Michael Green J two weeks ago on a without notice basis. This is the return date.
2. Michael Green J was satisfied on the evidence before him that this was an appropriate case in which to grant an injunction. Mr Plewman has taken me through the history of the matter. I will not repeat all of that. What he has taken me through today appears on the transcript. In short he has taken me carefully through the entire history of these proceedings, including pointing out the very serious dishonest behaviour by the claimant, Ras Al Khaimah Investment Authority (RAKIA) in obtaining judgment by fraud and in hacking the materials of the defendant and counterclaimant, Mr Azima. All of that material undoubtedly adds support to the risk of dissipation of assets now.
3. What has happened since Michael Green J's order is that the order and evidence were served on Stewarts Law, who were the previous solicitors on the record for RAKIA. Although they are no longer on the record and although RAKIA has not given any address for service, pursuant to an earlier order of Michael Green J, service on Stewarts is to be considered good service. Documents were also sent to A&O Shearman, who have some role in assisting RAKIA, although it is not entirely clear what. So far as they have told Mr Azima, they are only acting for the purposes of assisting in providing information and the affidavit required under Michael Green J's order; they do not act in any other capacity.
4. However, in correspondence from A&O Shearman since the order of Michael Green J, they have made certain points apparently in opposition to the continuation of the order, although, as I say, without acting in that capacity. They make one point about non-disclosure of a matter before Michael Green J. For the reasons explained in Mr Plewman's skeleton, I am satisfied that does not go anywhere.

5. More substantively, they purported to offer justifications for the apparently recent sale of the only major asset held by RAKIA Georgia, the hotel, indicating that it was intended to be sold some time ago, but could not be because of a freezing order under some other Georgian proceedings, and only since December 2023 has the ability to continue that sale been possible. They also refer to a trust arrangement, which – they say – shows that any assets of RAKIA, including its shares in RAKIA Georgia, have been held on trust since 2015, and which itself reflected a decision of the then ruler in relation to a backdated transfer in 2012. That transfer or trust is said to be in return for the debt from RAKIA to the government being transferred to another entity, also apparently controlled by RAKIA.
6. Mr Plewman says that ultimately this may or may not show that RAKIA ceases to have any assets upon which the injunction already granted can bite, but the veracity of the information and documents that have just been received (the documents supporting those assertions were received only on 24 June) has yet to be tested, and in any event, even if the horse has bolted in relation to the major assets, that is not in itself a complete bar to the continuation of the injunction.
7. He also says, and I consider this to be the key point here, that anyone facing an injunction such as this, particularly a substantial entity like RAKIA, is expected – if it wishes to oppose the continuation of an injunction – to come to court with the evidence to do so, such evidence being verified on oath. That has not been done. The matters that I have been referred to have been contained only in correspondence from solicitors who are neither on the record nor instructed in relation to this aspect of the matter. I should also point out that A&O Shearman made it clear in that correspondence that RAKIA was in fact not opposing the continuation of the injunction.
8. So, principally for that reason, I consider that this is an injunction which ought to be continued.
9. Accordingly, I will continue the injunction as sought by the application.

Ruling on order and costs

1. I will make an order in the terms of the draft presented to me. So far as costs are concerned, it seems to me this is an entirely appropriate moment to award costs. This is a return date of an injunction post-judgment, and if I were not to decide the costs issue now I am not sure when it would be decided. It was open to RAKIA to come and oppose the injunction. They have in fact at the relatively last minute chosen not to oppose it. I think the applicant is entitled to its costs.
2. I am not asked to assess the costs. The cost bill is very high; it is £199,000. I am asked to award that costs be paid on the indemnity basis. I think that is appropriate in this case, given the nature of the proceedings.
3. I will order an interim payment of an amount which is 60% of that in the sum of £119,895, to be paid within 14 days of service of the order.
4. Other than that, the order is generally in the standard form. Where it is not, I am persuaded, as was Michael Green J, that the departures from the standard form are appropriate.