

MKAS elects new head after 17 years

SEBASTIAN PERRY

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The International Commercial Arbitration Court at the Russian Chamber of Commerce and Industry (MKAS) has elected Alexei Kostin as its new chairman - after a change in the rules prevented his predecessor from standing for re-election.



Alexei Kostin

Kostin, who is head of the private international law faculty at the Moscow State Institute of International Relations, was elected for a five-year term at a general meeting of MKAS arbitrators on 28 June, winning 80 per cent of the vote.

He replaces distinguished arbitrator **Alexander S Komarov**, who has held the position since 1993. Komarov was barred from standing again when the Chamber of Commerce approved new rules before the meeting that prevent any individual from holding the position for more than two terms.

Kostin, who was described as "one of the very best" in a *GAR survey* of arbitrators in Russia in 2008, has previously served as deputy chairman of MKAS and as an arbitrator for the chamber's maritime commission and other arbitral institutions in the CIS region, as well as for international bodies such as the LCIA and SCC.

Russian practitioner **David Goldberg**, co-head of arbitration at SJ Berwin LLP in London, says Kostin is well-known in Russia and the CIS and has "considerable experience", but warns that he will face many challenges in his new role.

"MKAS as an institution has been successful not because it did something right but because it operates in an overheated market with massive numbers of business disputes and not much competition locally," says Goldberg. "It needs dramatic changes to its approach and working practices if it is to become a well-run institution and gain international respect. This is something that Komarov tried hard to change, without success - if Kostin can facilitate even the beginning of structural changes, that would be a big success."

Victor Dumler, of Egorov Puginsky Afanasiev & Partners in St Petersburg, agrees that Kostin will need to raise MKAS's profile "in light of the increasing popularity of a number of alternative European venues among Russian businessmen." Development of expedited procedures within MKAS rules, and better cooperation with Russian state courts in developing a uniform practice on the recognition of MKAS awards should also be on the agenda, Dumler says.

Kostin's appointment came three days after the Dutch Supreme Court [upheld](#) the enforcement of four MKAS arbitral awards worth US\$419 million against Russian state oil company Rosneft in a Yukos-related case - an event that Russia's *Kommersant* newspaper [speculates](#) might have motivated the Chamber of Commerce's rule change. Chamber vice president Vladimir Isakov told the paper the timing was a coincidence. Kostin is also quoted in the article as saying: "In a democratic society there should be a rotation of personnel."

Kostin is deputy chairman of the Russian Centre for Facilitating Arbitration, a member of the scientific advisory board of the High Arbitrazh Court of Russia and a member of the Chartered Institute of Arbitrators in London. He also serves on the editorial board of various journals, including *International Commercial Arbitration* in Moscow, *Arbitral Tribunal* in St. Petersburg and the *Moscow Journal of International Law*.

At the same meeting **Ivan S Zykin**, of Andrey Gorodissky & Partners, and **Evgeniy Sukhanov** were appointed as vice presidents of the court. The chamber also changed the rules to increase the size of the MKAS presidium - the court's administrative body - from five to seven. **Nina Vilkova** and **Aleksei Zhiltsov** were elected to presidium for the first time, while **Sergei Lebedev**, **Aleksandr Makovskiy**, **Mikhail Rozenberg**, **Oleg Sadikov** and Komarov were re-elected.