



Press release

## **English High Court sentences another of Mukhtar Ablyazov's brothers in law to prison**

### **Salim Shalabayev becomes the third Ablyazov associate to be found guilty of contempt of court**

**Almaty, November 21, 2013** – The English High Court has found Salim Shalabayev, the brother in law of Kazakh fugitive and former BTA Bank Chairman Mukhtar Ablyazov, to be in contempt of court and sentenced him to 22 months in prison.

On 18 October 2013, Mr Shalabayev was found to be in contempt of court for his consistent failure to comply with numerous orders of the Court. He had been ordered not to leave England and Wales until he had provided information on the whereabouts of millions of dollars that passed through companies believed by the High Court to belong to Mr Ablyazov. Despite this, he refused to answer and absconded. In the Committal Judgement, Mr Justice Eder found that Salim's wrongful conduct took place over an extended period, included lying to the Court of Appeal and was "committed deliberately and knowingly."

In sentencing him, Mr Justice Eder rejected Mr Shalabayev's claims that he was unable to comply with Court orders because of fears for his safety, noting that those claims were only untested assertions and, even if true, the fact that "Salim was very fearful, as he says, is, to my mind, of no relevance whatsoever in light of the orders that have been made."

Mr Shalabayev is the third associate of Mr Ablyazov to be committed to prison for contempt of court. His brother Syrym Shalabayev was found to be in contempt of court in May 2011, and Paul Kythreotis was found in contempt of court in the UK and in Cyprus (where he served a three month prison sentence). Mr Ablyazov was sentenced by the High Court to 22 months imprisonment before fleeing the jurisdiction in February 2012.

Pavel Prosyankin, BTA Bank Managing Director overseeing the asset recovery process and Member of the Management Board of the bank, said:

"We welcome this judgment against Salim Shalabayev. We will continue to pursue these committal actions to help break the networks through which Mr Ablyazov and his associates can improperly hide and disperse assets. The Bank is determined to seek redress against those who have been instrumental in the losses that it has suffered from alleged fraud, as well as those who are assisting in the concealment of monies or assets misappropriated from the Bank."

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#### **Notes to editors:**

- BTA Bank launched global legal proceedings against Mukhtar Ablyazov and his associates in 2009 after auditors at PwC identified a massive hole – more than \$10 billion – in the

Bank's balance sheets which led to the discovery of a large-scale fraud committed by Mukhtar Ablyazov while he was Chairman of the Bank.

- The Bank undertook a restructuring process which was agreed by creditors in 2009 and again in 2012. Lazard Frere was the Bank's financial advisor in the restructuring and remains an advisor to the Bank. <http://bta.kz/en/press/news/2012/12/07/631/>
- The asset recovery process was agreed and undertaken as part of the restructuring. The process involved legal action against Mr Ablyazov and his associates and any recovered assets would be returned to the Bank and in turn delivered in part to international creditors. <http://www.ft.com/cms/s/0/8b243288-6f72-11df-9f43-00144feabdc0.html#axzz2bHSOrhvG>
- The most comprehensive legal proceedings are 11 claims filed by BTA Bank in the English High Court seeking to recover more than \$6 billion in assets misappropriated by Mr Ablyazov. The Bank has secured numerous judgments for nearly \$4 billion and is in the process of seeking to enforce those judgments against assets currently held in receivership.
- In February 2012, the Bank secured an English High Court judgment, subsequently upheld by the Court of Appeal, to commit Mr Ablyazov to prison for contempt of court. Rather than abide by the court's ruling, he fled to France and has since been a fugitive from justice. <http://www.bailii.org/ew/cases/EWHC/Comm/2012/237.html>
- An essential element of the asset recovery process has been tracing the funds through the web of associates Mr Ablyazov used to hide transfers and assets. As Mr Ablyazov's brother in law and nominated UBO of numerous assets belonging to Mr Ablyazov, Salim Shalabayev has been a key actor in hiding and laundering the proceeds of the fraud. He is the third associate to be found in contempt of court for hiding assets for Mr Ablyazov.
- Syrym Shalabayev was sentenced to 18 months in prison in June 2011 after he was found to be in contempt of court on 17 May 2011. He had fled the jurisdiction prior to his contempt charge and remains in hiding.
- Paul Kythreotis, a former business associate of Mr Ablyazov, was found guilty of contempt of court in the UK and sentenced to 21 months in prison in October 2011. Mr Kythreotis fled to Cyprus and in August 2012, a Cypriot court sentenced Mr Kythreotis to three months in prison for contempt of court.

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