THIRD SECTION

CASE OF VOLOKITIN AND OTHERS v. RUSSIA

*(Applications nos. 74087/10 and 13 others – see appended list)*

JUDGMENT

STRASBOURG

3 July 2018

*This judgment will become final in the circumstances set out in Article 44 § 2 of the Convention. It may be subject to editorial revision.*

In the case of Volokitin and Others v. Russia,

The European Court of Human Rights (Third Section), sitting as a Chamber composed of:

Helena Jäderblom, *President,* Branko Lubarda, Helen Keller, Dmitry Dedov, Pere Pastor Vilanova, Georgios A. Serghides, Jolien Schukking, *judges,*  
and Fatoş Aracı, *Deputy* *Section Registrar,*

Having deliberated in private on 12 June 2018,

Delivers the following judgment, which was adopted on that date:

PROCEDURE

1.  The case originated in fourteen applications against the Russian Federation lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms (“the Convention”) by fourteen Russian nationals (“the applicants”). The applicants’ names, the names of their representatives and the numbers and dates of their applications are set out in the Appendix.

2.  The Russian Government (“the Government”) were represented initially by Mr G. Matyushkin, Representative of the Russian Federation to the European Court of Human Rights, and then by his successor in that position, Mr M. Galperin.

3.  The applicants complained about the Russian State’s continued failure to determine the conditions and procedure for implementation of their entitlement to obtain some form of compensation for, or redemption of, their 1982 premium bonds, which had been recognised as internal State debt.

4.  On 27 August 2013, 13 February 2014 and 5 April 2017 the above complaint was communicated to the Government and the remainder of applications nos. 15410/11, 53719/13, 1026/14, 28411/14 and 27904/15 was declared inadmissible pursuant to Rule 54 § 3 of the Rules of Court.

5.  On 10 April 2017 the Court requested additional factual information from the applicants in cases nos. 5359/13 and 53719/13.

THE FACTS

THE CIRCUMSTANCES OF THE CASE

6.  The cases concern the 1982 State internal premium loan bonds (*облигации государственного внутреннего выигрышного займа 1982 года* - “1982 premium bonds”) which are in the applicants’ possession. The applicants submitted lists of serials numbers or photocopies of their bonds.

7.  On 30 December 1980 the USSR Cabinet of Ministers decided to issue bonds of an internal premium loan to finance certain State programmes. The bonds had nominal values of 25, 50 and 100 Soviet roubles (SUR). Their period of circulation was set at twenty years, from 1 January 1982 to 1 January 2002, and they were redeemable at any time during the term of the loan with interest at 3% per annum. Soviet citizens could either buy the 1982 premium bonds with their own money or obtain them in exchange for bonds from an earlier 1966 State internal premium loan. The average monthly wage in 1982 was SUR 177.30 across all branches of the economy plus SUR 68.70 in various social benefits (*People’s Economy of the USSR 1982*, a statistical yearbook by the USSR Central Statistics Directorate, Moscow, 1983).

8.  By the late 1980s the Soviet economy was suffering from a structural imbalance due a rapidly increasing money supply and decreasing availability of consumer goods sold at State-controlled prices. In January 1991 the USSR Government freed 40% of prices and carried out a monetary reform eliminating the largest banknotes in circulation and restricting the withdrawal of money from bank deposit accounts to SUR 500 a month. This led to a two to threefold increase in prices. On 22 March 1991 the USSR President issued Decree no. UP-1708, ordering a one-time increase to savings instruments, including the 1982 premium bonds, of 40% to offset the price rise.

9.  On 26 December 1991 the USSR was dissolved by Declaration no. 142-N of the Supreme Soviet of the USSR. The declaration invited the heads of newly independent States to reflect on the issues of succession.

10.  On 19 February 1992 the Russian Government issued Resolution no. 97, recognising its succession in respect of the obligations of the former USSR under the 1982 loan:

“1.  To confirm succession of the [Russian] Government in respect of the obligations of the former USSR *vis-à-vis* Russian Federation citizens arising out of the bonds of the 1982 State internal premium loan.

...

6.  To give Russian Federation citizens who are holders of bonds of the 1982 State internal premium loan the right to voluntarily exchange their bonds against State securities, including 1992 Russian internal premium loan bonds, shares in the Savings Bank ... and also to credit the proceeds of sale of the bonds into deposit accounts open in the Savings Bank ... from 1 October 1992 ...”

11.  Between 1995 and 2000 a series of Russian laws and regulations were passed which provided for the conversion of Soviet securities, including the 1982 premium bonds, into special Russian promissory notes nominated in “promissory roubles” (DOR) (for details, see *Yuriy Lobanov v. Russia*, no. 15578/03, §§ 16-21, 2 December 2010).

12.  From 2003 to the present day, the application and implementation of those laws and regulations have been continuously suspended, most recently for the period 1 January 2017 to 1 January 2020, by Law no. 429‑FZ of 19 December 2016 and Resolution no. 1437 dated 22 December 2016.

13.  The applicants applied to the Russian financial authorities and the courts, seeking the redemption of their bonds. Their claims were rejected on procedural and substantive grounds. Mr Ruzanov’s claim was allowed at first instance but the judgment was later overturned on appeal. On 5 May 2014 Mr Israfilov obtained a decision from the Leninskiy District Court in Makhachkala, requiring the Russian Government to convert his bonds into special promissory notes.

14.  Mr Losyakov and Ms Losyakova’s claim was referred by the Supreme Court to the Constitutional Court. By decision no. 632-O of 3 April 2012, the Constitutional Court declared it inadmissible, finding that it was not competent to rule on the issue of an alleged failure of federal lawmakers to enact laws guaranteeing the protection of savings which had been recognised as Russia’s internal debt. In its view, the federal lawmakers had adequate discretion to legislate on those issues in the interests of everyone, taking into account the specific social and economic conditions prevailing in Russia and the balance between the rights and lawful interests of various categories of citizens, including those who acted as creditors of the State and others in respect of whom the State had public policy obligations. The legislature was entitled to restrict the rights, including property rights, of some people for the protection of rights and lawful interests of others.

THE LAW

I.  JOINDER OF THE APPLICATIONS

15.  The Court notes that all the applicants alleged a violation of their property rights. Having regard to the similarity of the applicants’ grievances, the Court is of the view that the applications should be joined in accordance with Rule 42 § 1 of the Rules of Court.

II.  ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL No. 1 TO THE CONVENTION

16.  The applicants complained about the continued failure of the Russian authorities to discharge their obligations arising out of their 1982 premium bonds, which had been recognised as part of Russia’s internal debt. Article 1 of Protocol No. 1 to the Convention provides:

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.”

A.  Admissibility

17.  The Court notes that the complaint is not manifestly ill-founded within the meaning of Article 35 § 3 (a) of the Convention. It further notes that it is not inadmissible on any other grounds. It must therefore be declared admissible.

B.  Merits

1.  Submissions by the parties

18.  Referring to the Constitutional Court’s decision on Mr Losyakov and Ms Losyakova’s claim (see paragraph 14 above) and the Court’s case-law (*Malysh and Others v. Russia*, no. 30280/03, § 80, 11 February 2010), the Government submitted that the domestic authorities should have a wide discretion in matters of economic or social strategy and that favouring expenditure on pressing social issues to the detriment of claims of a purely pecuniary nature was a legitimate aim in the public interest. They further claimed that the applicants had not suffered any loss of property because they could have taken advantage of the buy-back or exchange scheme in 1992. According to the Savings Bank, the total value of bonds placed before 1 January 1992 in the Russian territory had been SUR 9 billion, while the buy-back operation in 1992 to 1995 had resulted in the purchase or exchange of bonds with a total value of 12.1 billion “new” Russian roubles (RUR). The excess was accounted for by the inflow of bonds from newly independent States outside Russia. As the series and numbers of bonds had not been recorded at the time of initial placement, it was no longer possible to establish when and where they had been purchased and by whom initially. Lastly, the Government submitted that Russia’s obligations to the holders of 1982 premium bonds were maintained. The relevant laws and regulations had been suspended because of the limited resources of the federal budget. Redeeming the bonds at the present time would prevent the State from fulfilling its social commitments to Russian citizens and developing the Russian economy.

19.  The applicants submitted that the Russian authorities had breached their property rights by continuously suspending the implementation of the relevant laws and regulations. The obligations the Russian authorities had taken upon themselves had to be fulfilled so long as there was no emergency, *force majeure* or other exceptional circumstances. Had the authorities acted in good faith, they would have converted the 1982 premium bonds into the special promissory notes. That operation would have allowed them to establish the exact quantity of unredeemed bonds and the amount of funds required for their redemption and to find a proper balance between that and other priority expenses. However, no such conversion had ever been carried out and the Russian authorities had adopted a passive approach to implementation of the entitlement of the bondholders. The applicants pointed out that the Government had incorrectly calculated the outcome of the buy-back operation. They had not taken into account that the bonds had been redeemed at 1.6 times their nominal value. If the total amount of redeemable bonds had been RUR 14.4 billion (the initial value of SUR 9 billion multiplied by 1.6) and the actual redeemed amount had been RUR 12.1 billion, the remainder of the outstanding bonds was equal to RUR 2.3 billion at the redemption price or RUR 1.44 billion (RUR 2.3 billion divided by 1.6) at the nominal value. The outstanding amount was but a small fraction of Russia’s federal budget of approximately 14 trillion Russian roubles (RUB) or the combined value of the National Wealth and Reserve Funds of 10.9 trillion (2017). As to the Government’s argument about limited resources, the applicants pointed out that since 2000 the Russian State had run a budget surplus thanks to high oil prices. However, instead of settling their debt to internal creditors, such as the applicants, the authorities had used money to buy foreign bonds or finance expensive high-level sports events.

2.  The Court’s assessment

20.  The Court reiterates that it has found a violation of Article 1 of Protocol No. 1 in a number of similar applications against Russia. Some of them concerned the absence of implementing regulations for redemption of a different type of Russian bond, known as *Urozhay-90* (Harvest-90) bonds (see *Malysh and Others*, cited above; *Tronin v. Russia*, no. 24461/02, 18 March 2010; and *SPK Dimskiy v. Russia*, no. 27191/02, 18 March 2010), while others related to non-fulfilment of the State’s obligations arising out of the same 1982 loan as in the present case (see *Yuriy Lobanov*, no. 15578/03, 2 December 2010; *Andreyeva v. Russia*, no. 73659/10, 10 April 2012; and *Fomin and Others v. Russia*, no. 34703/04, 26 February 2013).

21.  For the purposes of Article 1 of Protocol No. 1 the applicants’ “possessions” consist of their entitlement to obtain some form of compensation for, or redemption of, 1982 premium bonds which are currently in their possession (see *Malysh and Others*, §§ 67-71, and *Yuriy Lobanov*, § 45, both cited above). By enacting the Savings Protection Act in 1995, the Russian State took upon itself an obligation to settle the debt arising out of the 1982 premium bonds. Since that time bond holders have continuously held a claim against the Russian State which existed both on the date of ratification of Protocol No. 1 by Russia – 5 May 1998 – and on the date of submission of their applications to the Court. Although implementation of the relevant regulatory provisions has been suspended for many years, they have not been revoked or annulled. The Government conceded that bondholders’ claims against the State continued to exist to the present day.

22.  As to compliance with the lawfulness requirement, the Court has noted that the repeated suspensions of the implementing regulations were decided on in the legislative process. Accordingly, a restriction on the exercise of applicants’ right to the peaceful enjoyment of their possessions was “provided for by law” (see *Malysh and Others*, §§ 77-78, and *Yuriy Lobanov*, § 49, both cited above). As regards the existence of a legitimate aim, the Court has noted that in the 1990s the Russian State went through a tumultuous transition from a State-controlled to a market economy. Its economic well-being was later jeopardised by the financial crisis of 1998 and a sharp depreciation of the national currency. Even though Russia has achieved relative prosperity and wealth in subsequent years, the Court has agreed that defining budgetary priorities in terms of favouring expenditure on pressing social issues to the detriment of claims of a purely pecuniary nature was a legitimate aim in the public interest (see *Malysh and Others*, § 80, and *Yuriy Lobanov*, § 50, both cited above).

23.  On the question of the striking of a fair balance between the general interest and the applicants’ rights, the rule of law underlying the Convention and the principle of lawfulness in Article 1 of Protocol No. 1 require States not only to respect and apply, in a foreseeable and consistent manner, the laws they have enacted, but also, as a corollary of this duty, to ensure the legal and practical conditions for their implementation. The Court has found that those principles mandated the Russian State to fulfil in good time, in an appropriate and consistent manner, the legislative promises it had made in respect of claims arising out of the 1982 premium bonds. In particular, it was incumbent on the authorities to legislate on the conditions for implementation of the bondholders’ entitlement, with a view to satisfying the undertaking that had been created through the enactment of the Savings Protection Act and follow-up legislation (see *Malysh and Others*, § 82, and *Yuriy Lobanov*, § 51, both cited above).

24.  After the enactment of the Savings Protection Act in 1995, the Russian Parliament promptly enacted the legislative acts required for its successful implementation, including the 1996 Promissory Value Act, the 1999 Base Value Act and the 1999 Conversion Procedure Act (see *Yuriy Lobanov*, cited above, §§ 17-20). Those acts laid down a legislative framework for settlement of bondholders’ entitlement which had been continuously recognised as part of the State’s internal debt. In early 2000, the Russian Government issued a regulation on the conversion procedure (ibid., § 21). However, for reasons that remain unclear to the Court, as no explanation has been put forward by the Government, from 2003 the implementation of the existing legal framework governing redemption of the 1982 premium bonds has remained continuously suspended, year after year (ibid., §§ 22 and 52).

25.  The information available to the Court does not allow it to find that the Russian Government took any measures in that period with a view to satisfying the claims arising out of the bonds. There is no evidence that the annual decisions suspending the implementation of the redemption framework were preceded by an assessment of the amount of budget appropriations necessary to settle the debt arising out of the bonds and its balancing in relation to other priority social expenses. In fact, as the applicants in the present case pointed out, no such assessment could have been possible in the absence of key indicators, such as the quantity and total valuation of the outstanding bonds. That information has not been, and could not have been, obtained because the stamping of the outstanding bonds and entering their details into the Ministry of Finance register, as provided for in the Conversion Procedure Act and Government Regulation no. 82 (ibid., § 21), has never been completed. While the radical reform of Russia’s political and economic system in the 1990s, as well as the state of the country’s finances, may have once justified stringent financial limitations on rights of a purely pecuniary nature, it is currently the case that the Russian Government have been unable to put forward a satisfactory justification for their continuous failure, over a period of more than fifteen years, to implement an entitlement conferred on the applicants by Russian legislation (see *Malysh and Others*, § 83, and *Yuriy Lobanov*, § 52, both cited above).

26.  The Court has no competence *ratione temporis* to examine the options that were available to the bondholders prior to the ratification of the Convention and the Protocol. However, the Court notes that since the enactment of the 1995 Savings Protection Act they have had a legitimate expectation of obtaining some form of compensation for, or redemption of, the bonds. The applicants did not remain passive, but rather displayed an active attitude by making requests to the competent authorities and lodging claims with the domestic courts, including the Supreme Court and Constitutional Court (see paragraph 14 above). There was no indication that the applicants were responsible for, or culpably contributed to, the state of affairs which they complained about (compare *Malysh and Others*, § 84, and *Yuriy Lobanov*, § 53, both cited above).

27.  The Court finds that the applicants in the present cases, holders of 1982 bonds which cannot be redeemed and in respect of which no compensation is available, are in the same position as applicants in previous cases. It further finds, as it did in the above-cited cases, that the Russian authorities, by imposing successive limitations on the implementation of the legislative and regulatory framework establishing the basis for the applicants’ right to redemption of their 1982 premium bonds and by failing for years to put into practice the procedure for implementation of that entitlement, kept the applicants in a state of uncertainty, which was incompatible in itself with the obligation arising under Article 1 of Protocol No. 1 to secure the peaceful enjoyment of possessions, notably with the duty to act in good time and in an appropriate and consistent manner where an issue of general interest is at stake (see *Malysh and Others*, § 85, and *Yuriy Lobanov*, § 54, both cited above).

28.  There has therefore been a violation of Article 1 of Protocol No. 1.

III.  APPLICATION OF ARTICLE 41 OF THE CONVENTION

29.  Article 41 of the Convention provides:

“If the Court finds that there has been a violation of the Convention or the Protocols thereto, and if the internal law of the High Contracting Party concerned allows only partial reparation to be made, the Court shall, if necessary, afford just satisfaction to the injured party.”

A.  Damage

30.  The applicants claimed the amounts listed in the Appendix in respect of pecuniary and non-pecuniary damage.

31.  The Government submitted that Mr Israfilov, Mr Galayev, Mr Laptev and Mr Zheltov had not filed any claims with the Russian courts for the redemption of their bonds. Accordingly, it had not been established in the domestic proceedings that they had been the lawful owners of the bonds. They further submitted that the suggested method of calculation in respect of pecuniary damage could not be applied because it had been based on the suspended legislation. In any event, the claims were unreasonable.

32.  The Court notes that Ms Losyakova, Mr Israfilov, Mr Kosachev and Mr Vologin did not submit a claim for just satisfaction when invited to do so. Their prior indications of desirable reparation in the application form cannot replace a properly articulated claim (see *Nagmetov v. Russia* [GC], no. 35589/08, §§ 59 and 75, 30 March 2017). In the absence of any exceptional circumstances (ibid., §§ 77-82), the Court makes no award to these applicants.

1.  Pecuniary damage

33.  On the matter of pecuniary damage, the Court notes that the 1982 premium bonds were never restricted in circulation and could be sold and bought freely at any time. However, their price at any given time must have been subject to great fluctuations reflecting the tumultuous development of the Russian economy and evolution of the applicable legal framework. A period of stability in the USSR when the bonds were used as a money substitute at nominal value was followed by rampant inflation and a sharp depreciation of the national currency in the newly independent Russia. The legitimate expectation that the enactment of the Savings Protection Act gave the bondholders in 1995 was later frustrated by its continuous suspension after 2003. Those developments must have affected the value of the bonds and the amount to be awarded to the applicants for the loss actually sustained (*damnum emergens*). The situation of applicants who acquired bonds in the Soviet times at full value must accordingly be distinguished from those who bought them in the later period on account of differences in their respective financial exposure. With a view to determining the value of the actual damage the applicants sustained, the Court asked each of them to specify the time and manner of acquisition of the 1982 bonds in their possession, and the purchase price, if any, they had paid. A summary of their replies is given in the Appendix.

34.  Mr Volokitin, Mr Losyakov, Mr Ruzanov and Mr Zheltov did not reply to the Court’s query. Having regard to Rule 60 § 3 of the Rules of Court and points 5 and 11 of the Practice Direction on just-satisfaction claims, the Court finds that the absence of any reply on their part prevents it from establishing whether or not they have sustained any pecuniary damage and rejects their claims under this head.

35.  Ms Alekseyeva, Mr Galayev, Mr Gusev and Mr Karagezov claimed to possess very large amounts of bonds which had been allegedly acquired in the Soviet times. The Court notes that in the command economy of the Soviet Union, wages were determined by the State as the sole employer and their amount deviated little from the mean. A Soviet worker earning on average 3,000 Soviet roubles (SUR) a year (see paragraph 7 above) would have needed to save for more than sixty years to amass sufficient money to acquire the amount of bonds Ms Alekseyeva claimed to have (SUR 198,400). Her present claim must moreover be seen in the light of the fact that she has previously managed to redeem SUR 103,000 worth of bonds through a combination of the domestic and Strasbourg proceedings (see *Alekseyeva v. Russia*, no. 36153/03, 11 December 2008, in which the Court awarded her 194,817 euros (EUR) in respect of a domestic decision that had been quashed in breach of the legal certainly principle). Had she indeed acquired her bonds in the Soviet times as she claimed, the absence of any mention of the additional amount of SUR 198,400 – which she claims in the present case – in her previous application to the Court begs the question whether they had been in her possession already at that time or acquired at a later date. In the absence of a credible explanation, the Court considers her submissions as to the time of acquisition of her bonds unpersuasive and rejects her claim.

36.  The Court also rejects the claims by Mr Galayev and Mr Gusev, whose respective declarations of having earned SUR 1,000,000 in bonds from business activities and obtained SUR 500,000 through the division of parental property between him and his sister were not supported by any documents. It reiterates that an applicant should submit relevant documents to prove, as far as possible, not only the existence but also the amount or value of the damage (see *Milosavljev v. Serbia*, no. 15112/07, § 67, 12 June 2012, and *Vasilevski v. the former Yugoslav Republic of Macedonia*, no. 22653/08, § 66, 28 April 2016). Admittedly, with the passage of time some documents may have been lost or misplaced, but such unusual wealth should have left at least some written traces which the applicants should have been able to produce to lend credibility to their claims. Lastly, the Court notes that Mr Karagezov produced several lists of serial numbers of bonds. The lists ended with a figure representing the total value of bonds and a name next to it which was different from his name. Since Mr Karagezov did not clarify the matter of bonds’ ownership in his submissions, or, for that matter, include any pecuniary damage in his statement of claim under Article 41 of the Convention, the Court makes no award to him under this head.

37.  The Court further considers that the amount of bonds held by Ms Prokofyeva, Mr Laptev and Mr Sevastyanov is consistent with the explanation of their origin they have provided. It reiterates that the State’s failure to implement a redemption scheme cannot be interpreted as calling for any particular method of calculation or a determination *in abstracto* of the current value of the bonds (see *Andreyeva*, cited above, § 27). Having regard to the assessment of the applicants’ losses carried out in previous similar cases (see *Yuriy Lobanov v. Russia* (just satisfaction), no. 15578/03, 14 February 2012, and *Fomin and Others*, cited above, § 35) and limiting the award to what has been actually claimed (the *ne ultra petita* principle), the Court awards EUR 2,490 to Ms Prokofyeva, EUR 822 to Mr Laptev, and EUR 6,030 to Mr Sevastyanov, plus any tax that may be chargeable, in respect of pecuniary damage.

2.  Non-pecuniary damage

38.  The Court accepts that all the applicants have suffered frustration on account of the Russian State’s failure to establish the procedure for implementation of their entitlement which kept them in a state of uncertainty.

39.  Making its assessment on an equitable basis and having regard to the awards in previous similar cases (see *Yuriy Lobanov* and *Fomin and Others*, both cited above), the Court awards EUR 1,800 each to Mr Laptev, Ms Prokofyeva and Mr Sevastyanov in respect of non-pecuniary damage, plus any tax that may be chargeable.

40.  As regards the other applicants in respect of whom the time of acquisition of bonds and the length of period of their possession could not be ascertained, the Court considers that the finding of a violation would constitute sufficient just satisfaction.

B.  Costs and expenses

41.  The applicants also claimed the amounts specified in the Appendix in respect of the costs and expenses incurred before the domestic courts and the Court.

42.  The Government pointed out that Ms Alekseyeva, Mr Gusev, Mr Ruzanov and Mr Sevastyanov had not produced any documents supporting their claims.

43.  According to the Court’s case-law, an applicant is entitled to the reimbursement of costs and expenses only in so far as it has been shown that these have been actually and necessarily incurred and are reasonable as to quantum. In the present case, regard being had to the documents in its possession and the above criteria, the Court awards EUR 100 to Ms Alekseyeva, EUR 1,500 to Mr Gusev, EUR 850 to Mr Ruzanov, EUR 30 to Mr Laptev, EUR 450 to Mr Sevastyanov, and EUR 46 to Mr Karagezov, plus any tax that may be chargeable on them, covering costs under all heads.

C.  Default interest

44.  The Court considers it appropriate that the default interest rate should be based on the marginal lending rate of the European Central Bank, to which should be added three percentage points.

IV.  APPLICATION OF ARTICLE 46 OF THE CONVENTION

45.   Article 46 of the Convention provides:

“1.  The High Contracting Parties undertake to abide by the final judgment of the Court in any case to which they are parties.

2.  The final judgment of the Court shall be transmitted to the Committee of Ministers, which shall supervise its execution.”

46.  A judgment in which the Court finds a breach of the Convention imposes on the respondent State a legal obligation not just to pay those concerned the sums awarded by way of just satisfaction, but also to choose, subject to supervision by the Committee of Ministers, general measures to be adopted in its domestic legal order to put an end to the violation found by the Court and to redress as far as possible its effects. It is primarily for the State concerned to choose, subject to supervision by the Committee of Ministers, the means to be used in its domestic legal order to discharge its obligation under Article 46 of the Convention. However, with a view to helping the respondent State to fulfil that obligation, the Court may seek to indicate the type of general measures that might be taken in order to put an end to the situation it has found to exist (see *Centre for Legal Resources on behalf of Valentin Câmpeanu v. Romania* [GC], no. 47848/08, §§ 158-59, ECHR 2014; *Scoppola v. Italy (no. 2)* [GC], no. 10249/03, § 148, 17 September 2009; and *Broniowski v. Poland* [GC], no. 31443/96, § 194, ECHR 2004-V).

47.  The Court has found in the present case that the Russian authorities’ failure to fulfil the applicants’ legitimate expectation by offering some form of settlement in exchange for their bonds was in breach of Article 1 of Protocol No. 1 to the Convention. This conclusion echoes the Court’s findings in the series of similar cases listed in paragraph 20 above. The first three of those cases concerned a different type of bonds which had also been recognised as part of the State’s internal debt. Implementation of the federal legislation governing their buyout had been suspended between 2003 and 2009. In July 2009 a federal law governing the buyout procedure had been adopted. It was followed, in September 2009, by a Government regulation setting out the procedure for making payments in exchange for bonds (see *Tronin*, cited above, §§ 29-31). The Court noted, in respect of that type of bonds, that it was open to the applicants to apply to the competent domestic authorities for their redemption (ibid., § 67). The matter was thus resolved and no general measures were required for the execution of the Court’s judgments concerning that type of bonds.

48.  By contrast, since the *Yuriy Lobanov* judgment in 2010, there has been no tangible progress in the execution proceedings concerning the 1982 premium bonds at issue in the present case. The Russian Government reported to the Committee of Ministers that they had distributed a Russian translation of the judgment to various authorities and established an interagency commission for “pre-reform” (that is to say, Soviet-time) savings under the aegis of the Ministry of Finance (see DH-DD(2012)31 - Communication from the Russian authorities dated 30 November 2011, and DH-DD(2013)379 - Communication from the Russian authorities dated 25 March 2013). The work of the interagency commission did not result in any draft legislation being proposed or discussed in Parliament. As the Court has found above, an inventory of the outstanding bonds has never been completed and their current amount cannot be known. The obligation to offer some kind of settlement to the holders of 1982 premium bonds continues to exist in domestic law; it has not been extinguished or annulled but merely postponed or suspended by successive laws, most recently for a three-year period starting from 1 January 2017 (see paragraph 12 above). The Court therefore concludes that there exists a structural problem stemming from the authorities’ continued failure to implement the entitlement of the bondholders to some form of compensation and to execute its earlier judgments concerning the same issue, which amounts to a practice incompatible with the Convention.

49.  Accordingly, the Court considers that, in order to comply with its obligations under Article 46 of the Convention, the respondent State should, without further delay, initiate a genuine discussion with the Committee of Ministers on the issue of what may be required by way of compliance with the present and earlier judgments concerning the 1982 premium bonds.

FOR THESE REASONS, THE COURT, UNANIMOUSLY,

1.  *Decides* to join the applications;

2.  *Declares* the case admissible;

3.  *Holds* that there has been a violation of Article 1 of Protocol No. 1 to the Convention;

4.  *Holds* that the finding of a violation constitutes in itself sufficient just satisfaction for the non-pecuniary damage sustained by the applicants Mr Volokitin, Ms Alekseyeva, Mr Losyakov, Mr Galayev, Mr Gusev, Mr Ruzanov, Mr Zheltov, and Mr Karagezov;

5.  *Holds*

(a)  that the respondent State is to pay, within three months from the date on which the judgment becomes final in accordance with Article 44 § 2 of the Convention, the following amounts,to be converted into the currency of the respondent State at the rate applicable at the date of settlement:

(i)  EUR 2,490 (two thousand four hundred and ninety euros) to Ms Prokofyeva, EUR 822 (eight hundred and twenty-two euros) to Mr Laptev, and EUR 6,030 (six thousand and thirty euros) to Mr Sevastyanov, plus any tax that may be chargeable, in respect of pecuniary damage;

(ii)  EUR 1,800 (one thousand eight hundred euros) each to Ms Prokofyeva, Mr Laptev and Mr Sevastyanov, plus any tax that may be chargeable, in respect of non-pecuniary damage;

(iii)  EUR 100 (one hundred euros) to Ms Alekseyeva, EUR 1,500 (one thousand five hundred euros) to Mr Gusev, EUR 850 (eight hundred and fifty euros) to Mr Ruzanov, EUR 30 (thirty euros) to Mr Laptev, EUR 450 (four hundred and fifty euros) to Mr Sevastyanov, and EUR 46 (forty-six euros) to Mr Karagezov, plus any tax that may be chargeable to the applicants, in respect of costs and expenses;

(b)  that from the expiry of the above-mentioned three months until settlement simple interest shall be payable on the above amounts at a rate equal to the marginal lending rate of the European Central Bank during the default period plus three percentage points;

6.  *Dismisses* the remainder of the applicants’ claim for just satisfaction.

Done in English, and notified in writing on 3 July 2018, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Fatoş Aracı Helena Jäderblom  
 Deputy Registrar President

APPENDIX

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| No. | Application no. | Lodged on | Applicant’s name  Date of birth  Place of residence  Representative | Value of bonds | Reply to the question about the origin of bonds | |  |  |  | | --- | --- | --- | | Claims | | | | **Non-pecuniary damage** | **Pecuniary damage** | **Costs and expenses** | | | |
|  | 74087/10 | 24/11/2010 | **Vladimir Pimenovich VOLOKITIN**  15/08/1947  Novoaltaysk | SUR 2,000 (application form of 18/01/2011) SUR 15,400 (submissions of 10/12/2013) | No reply. | EUR 10,000 | RUB 877,995.16 [EUR 12,540] | Not claimed. |
|  | 15410/11 | 14/02/2011 | **Svetlana Fedorovna ALEKSEYEVA**  08/02/1959  Novoaltaysk | SUR 198,400 | Purchased between 1985 and 1990. | EUR 10,000 | EUR 1,077,154.74 | EUR 860.25 |
|  | 72789/12 | 24/09/2012 | **Gennadiy Fedorovich LOSYAKOV**  03/01/1935  Moscow Region | SUR 212,675 | No reply. | EUR 1,800 | EUR 567,842 | Not claimed. |
| **Nina Fedorovna LOSYAKOVA**  31/05/1953  Arzamas | No reply. | Claims not submitted within the time-limit. | | |
|  | 5359/13 | 28/12/2012 | **Israfil Mukailovich ISRAFILOV**  20/06/1961  Makhachkala | SUR 5,200 | Purchased from the Savings Bank between 1983 and 1985. | Claims not submitted within the time-limit. | | |
|  | 37098/13 | 04/05/2013 | **Yakhya Akhmedovich GALAYEV**  03/09/1938  Ekazhevo  Represented by  Mr A. Ovchinnikov | SUR 1,000,000 | Former director of a collective farm in 1980-91 and co-owner of a production facility in 1989-93, he received bonds in payment for the goods and acquired them though the sale of property and vehicles. | EUR 10,000 | EUR 7,374,870 | Not claimed. |
|  | 39017/13 | 21/05/2013 | **Yuriy Olegovich KOSACHEV**  21/05/1950  Cheboksary | SUR 5,900 | No reply. | Claims not submitted within the time-limit. | | |
|  | 53719/13 | 15/07/2013 | **Tamara Georgiyevna PROKOFYEVA**  03/11/1948  Volsk  Represented by  Mr A. Vologin | SUR 950 | Purchased from the Savings Bank on 25 November 1982. | EUR 100,000 | EUR 3,072.30 | Not claimed. |
|  | 72539/13 | 25/10/2013 | **Vladimir Ivanovich VOLOGIN**  22/01/1936  Moscow | SUR 2,000 | Purchased from the Savings Bank. | Claims not submitted within the time-limit. | | |
|  | 79934/13 | 01/12/2013 | **Nikolay Nikolayevich GUSEV**  13/04/1968  Moscow  Represented by  Mr V. Fedoseyev | SUR 534,225 | Received them in 2005 as a result of division of family property between him and his sister. Later he bought more bonds. | EUR 65,700 | EUR 1,791,642 | EUR 3,163.01 (domestic and Strasbourg legal fees and postal expenses) |
|  | 1026/14 | 30/12/2013 | **Andrey Fedorovich RUZANOV**  31/08/1962  Volgograd Region  Represented by  Ms N. Ichim | SUR 149,500 | No reply. | EUR 5,000 | EUR 1,073,320 | EUR 2,500 (legal fees) |
|  | 28411/14 | 23/09/2013 | **Aleksandr Valeryevich ZHELTOV**  09/08/1973  Volsk  Represented by  Mr A. Vologin | SUR 25 (application form) DOR 43,555 (claims) | No reply. | EUR 100,000 | EUR 163,069 | Not claimed. |
|  | 32615/14 | 23/04/2014 | **Andrey Semenovich LAPTEV**  03/11/1981  Krasnodar Region | SUR 400 | Purchased by his grandmother from the Savings Bank and given to him as a present in the autumn of 1982. | EUR 1,800 | RUB 57,600 [EUR 822] | EUR 30 (postal expenses) |
|  | 27904/15 | 26/05/2015 | **Vyacheslav Nikolayevich SEVASTYANOV**  11/12/1945  Sergiyev Posad | SUR 2,300 | Acquired in 1991. | EUR 2,550 | EUR 7,425 | EUR 486 (legal fees and postal expenses) |
|  | 9395/16 | 03/02/2016 | **Yevgeniy Grigoryevich KARAGEZOV**  30/08/1940  Moscow | SUR 66,425 | Acquired in 1982-91. In 1983-86 his mean wage was SUR 670. In 1987-92 his mean wage was SUR 12,862. | At the Court’s discretion. | Not claimed. | RUB 3,200  [EUR 46] (translation expenses) |