IN THE GENERAL DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2025] SGHC 180

Originating Application No 520 of 2025

Between

Vietnam National Industry – Energy Group

… *Claimant*

And

Joint Stock Company (Power Machines – ZTL, LMZ, Electrosila Energomachexport)

… *Defendant*

GROUNDS OF DECISION

[Arbitration — Enforcement — Singapore award — Whether injunction should be granted restraining enforcement of award worldwide pending Singapore proceedings]

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Vietnam National Industry – Energy Group
v
Joint Stock Company (Power Machines – ZTL, LMZ, Electrosila Energomachexport)

[2025] SGHC 180

General Division of the High Court — Originating Application No 520 of 2025
Chua Lee Ming J
25 August 2025

8 September 2025

Chua Lee Ming J:

Introduction

1 This was an application by the claimant, Vietnam National Industry – Energy Group ("PVN", formerly known as Vietnam Oil and Gas Group), for an injunction to restrain the defendant, Joint Stock Company (Power Machines – ZTL, LMZ, Electrosila Energomachexport) ("PM"), from commencing and/or continuing any proceedings worldwide to enforce an arbitral award pending the conclusion of court proceedings in Singapore to set aside the leave granted to enforce the award and to set aside the award itself.

2 I dismissed the application for the reasons set out below.

Background facts

3 In SIAC Arbitration No 274 of 2019 (the "Arbitration"), PM obtained a final award (the "Final Award") in its favour against PVN.

4 On 2 February 2024, PM filed an application with the Moscow City Arbitrazh Court (the "Moscow Court") for recognition and enforcement of the Final Award.

5 On 8 February 2024, PM filed HC/OA 141/2024 ("OA 141") for leave to enforce the Final Award. On 13 February 2024, the Singapore Court granted PM leave to enforce the Final Award against PVN. On 15 April 2024, PVN filed HC/SUM 988/2024 ("SUM 988") seeking to set aside the order granting leave to enforce the Final Award.

6 On 10 April 2024, PVN filed HC/OA 346/2024 ("OA 346"), seeking to set aside para 548 of the Final Award ("Para 548") and such other parts of the Final Award consequent to or otherwise arising from Para 548. Para 548 concerned certain findings by the arbitration tribunal (the "Tribunal") that resulted in PVN being found liable to PM.

7 On 23 July 2024, I found that the Tribunal's chain of reasoning in Para 548 breached the fair hearing rule. However, I declined to set aside the Para 548 and instead, I decided to exercise my discretion under Art 34(4) of the UNCITRAL Model Law on International Commercial Arbitration (the "Model Law") to remit the issue under Para 548 to the Tribunal. Accordingly, I made the following orders (among others):

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(a) the setting aside proceedings in OA 346 were suspended pursuant to Art 34(4) in order to give the Tribunal an opportunity to resume the Arbitration and hear the parties' submissions before deciding on the remitted issue;

(b) SUM 988 in OA 141 was adjourned pending the Tribunal's decision on the remitted issue; and

(c) PM may not take any steps to enforce the Final Award pursuant to the leave granted on 13 February 2024 in OA 141, in the meantime.

The material facts and the reasons for my decision are set out in *Vietnam Oil and Gas Group v Joint Stock Company (Power Machines – ZTL, LMZ, Electrosila Energomachexport) and another matter* [2024] SGHC 244 (the "Judgment").

8 Both PVN and PM appealed against my decision. PVN filed CA/CA 48/2024 ("CA 48") on 14 August 2024 while PM filed CA/CA 49/2024 ("CA 49") on 19 August 2024.

9 On 20 September 2024, the Moscow Court refused PVN's application to postpone the enforcement proceedings in Russia until the determination of OA 346.

10 On 30 September 2024, I dismissed PVN's application to stay my remission order pending the determination of CA 48.

11 On 2 October 2024, the Moscow Court issued a full text of its ruling allowing recognition and enforcement of the Final Award in the Russian Federation (the "Ruling"). PVN filed a cassation appeal against the Ruling.

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12 On 21 October 2024, the Moscow Court issued a writ of execution. On 6 November 2024, the Federal Bailiff Service of Russia ("FBS") initiated enforcement proceedings based on the writ of execution. PVN was prohibited from taking any action related to transfer of rights to its shares in two Russian entities. On 21 November 2024, the FBS issued resolutions to forclose on any account receivables due from the two entities to PVN.

13 On 18 December 2024, the Moscow District Arbitrazh Court (the "District Court") dismissed PVN's cassation appeal and affirmed the Ruling. On 24 February 2025, PVN filed a cassation appeal to the Judicial Board of the Supreme Court of the Russian Federation (the "Supreme Court"). On 12 March 2025, the Supreme Court denied PVN's referral of its appeal in cassation for hearing by the Supreme Court as the contentions pleaded in PVN's appeal in cassation did not substantiate the existence of grounds for referring the appeal for hearing by the Supreme Court.

14 Meanwhile, on 27 January 2025, the Moscow Court rejected PVN's motion to suspend the enforcement proceedings. PVN's cassation appeal against this decision was dismissed by the District Court on 28 April 2025.

15 On 12 March 2025, the Tribunal issued its award after hearing the parties on the remitted issue (the "Remission Award"). In the Remission Award, the Tribunal decided not to change Para 548. On 30 April 2025, PVN filed HC/OA 444/2025 ("OA 444") to set aside the Remission Award.

16 On 10 April 2025, based on the Remission Award, PVN requested the Moscow Court to reconsider the Ruling (on recognition and enforcement of the Final Award). On 25 April 2025, the Moscow Court dismissed PVN's request.

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On 15 May 2025, PVN filed a cassation claim to both the Moscow Court and the District Court against the Moscow Court's decision to dismiss PVN's request.

17 There were other challenges made by PVN and the two Russian entities in Russia. It is not necessary to set those out in detail here. Suffice it to say that PVN was unsuccessful in its efforts to stop the enforcement proceedings in Russia.

18 On 22 May 2025, PVN filed the present application to restrain PM from commencing and/or continuing any proceedings worldwide to enforce the Final Award (including the Remission Award) pending the final conclusion of OA 346, SUM 988 and OA 444, including any appeals therefrom. In these grounds of decision, I shall refer to the Final Award and the Remission Award, collectively, as the "Awards" and to OA 346, SUM 988 and OA 444, collectively, as the "Setting Aside Applications".

19 The Court of Appeal heard both CA 48 and CA 49 on 8 July 2025 and reserved judgment. By consent of the parties, the Setting Aside Applications were adjourned pending the Court of Appeal's decisions in CA 48 and CA 49.

PVN's case

20 In its originating application, PVN sought an anti-enforcement injunction to restrain PM from enforcing the Awards worldwide pending the final conclusion of the Setting Aside Applications including any appeals therefrom.

21 In its written submissions, PVN made the following submission:

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> Under Article 36(1)(*a*)(v) of the Model Law, PVN [was] entitled **contractually** as against PM to rely on the fact that the [Final] Award stands suspended by the supervisory court to prevent enforcement by PM in any jurisdiction (not just in Singapore). [emphasis in original]

22 During oral submissions, PVN made the following additional submissions:

(a) Any step by PM to enforce the Awards would be in breach of an implied term of the arbitration agreement between the parties that PM cannot oust the jurisdiction of the Singapore courts.

(b) Any step by PM to enforce the Awards would be in breach of the order that I made on 23 July 2024 that PM may not take any steps to enforce the Final Award in the meantime (see [7(c)] above).

(c) The ends of justice required PM to be prevented from enforcing the Awards elsewhere pending the Court of Appeal's decisions in CA 48 and CA 49.

The Art 36(1)(*a*)(v) argument

23 During oral submissions, PVN described this as its primary case. PVN's arguments ran as follows:

(a) By agreeing to the arbitration agreement for arbitration seated in Singapore, the parties agreed to Singapore law as the curial law.

(b) Singapore law is expressed in both the International Arbitration Act 1994 (2020 Rev Ed) ("IAA") and the Model Law.

(c) Under Art 36(1)(*a*)(v) of the Model Law, PVN was entitled contractually to rely on the fact that the Final Award stands suspended

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> by the supervisory court to prevent enforcement by PM in any jurisdiction.

24 PVN's reliance on Art 36(1)(*a*)(v) as being part of Singapore law was wrong. Chapter VIII of the Model Law (which includes Art 36) has not been given the force of law in Singapore: see s 3(1) of the IAA. Nevertheless, s 31(2)(*f*) of the IAA contains a provision that is similar to that in Art 36(1)(*a*)(v) of the Model law. This was pointed out to PVN's counsel during oral submissions and he confirmed that PVN was relying on s 31(2)(*f*) of the IAA.

25 PVN submitted that it was not relying on any specific term of the arbitration agreement for its right to prevent PM from enforcing the Awards. Rather, it relied on the entire arbitration clause. I found this submission perplexing. PVN claimed to have a contractual right to prevent PM from enforcing the Awards. What was the basis for such a contractual right, if it was not based on a term of the agreement, whether expressed or implied?

26 Be that as it may, in my view, there was no basis for the contractual right that PVN claimed to have. There was nothing in the arbitration clause (which constituted the arbitration agreement) that gave PVN any contractual right to prevent PM from enforcing the Awards so long as the Awards remained suspended.

27 As for s 31(2)(*f*), it provides that the Singapore court *may* refuse enforcement of a foreign award if:

> the award has not yet become binding on the parties to the arbitral award or has been set aside or suspended by a competent authority of the country in which, or under the law of which, the award was made.

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Section 31(2)(*f*) deals with the *Singapore* court's discretion (as an enforcement court) to refuse enforcement of a foreign award in Singapore if the award has been set aside or suspended by a competent authority in the seat jurisdiction. Nothing in s 31(2)(*f*) gave PVN the right to prevent PM from enforcing the Awards in a foreign jurisdiction.

28 As stated earlier, Art 36(1)(*a*)(v) of the Model Law has not been given the force of law in Singapore. In any event, it provides that an enforcement court may refuse to recognise or enforce an arbitral award if:

> the award has not yet become binding on the parties or has been set aside or suspended by a court of the country in which, or under the law of which, that award was made; or
>
> …

Again, nothing in Art 36(1)(*a*)(v) gave PVN the right that it claimed.

29 In any event, even if the contractual right (as claimed by PVN) somehow existed, the right to prevent PM from enforcing the Awards (based on PVN's own formulation of the right) existed only while the Awards remained suspended. As PM pointed out, no order has been made to suspend the Awards. PVN relied on my order on 23 July 2024. However, that was an order suspending OA 346 pending the Tribunal's decision on the remitted issue (see [7] above). Even if that order could be treated as an order suspending the Awards, the suspension had ceased because the Tribunal had decided on the remitted issue and made the Remission Award. Since the suspension had ceased, PVN no longer had any right to prevent PM from enforcing the Awards.

30 PVN submitted that the suspension of OA 346 remained until an application was made to the court to lift the suspension. This was another

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unmeritorious submission. My 23 July 2024 order suspended OA 346 for the purpose of giving the Tribunal an opportunity to resume the Arbitration and hear the parties before deciding on the remitted issue. It was clear that the suspension ended once the purpose of the suspension was achieved. It necessarily had to in order for the hearing of OA 346 to then resume. There was neither need nor reason for a formal application to lift the suspension.

The ouster of jurisdiction argument

31 PVN submitted that any step by PM to enforce the Awards elsewhere was a breach of an implied term of the arbitration agreement that PM cannot oust the jurisdiction of the Singapore courts. PVN argued that the term should be implied because the parties had agreed to arbitration seated in Singapore and to control of the Singapore courts.

32 In my view, PVN's submission was wholly unmeritorious. There was no basis for such a term to be implied. In any event, the enforcement of the Awards by PM outside of Singapore could not be said to oust the jurisdiction of Singapore courts. Singapore courts have no jurisdiction over whether to allow or refuse enforcement of the Awards in a foreign jurisdiction. That decision is one for the enforcement courts alone.

The breach of the order of 23 July 2024 argument

33 During oral submissions, PVN argued that it was entitled to the injunction sought because any step taken by PM to enforce the Awards elsewhere would breach an order that I had made on 23 July 2024. It will be recalled that on 23 July 2024, I made the order suspending OA 346 to enable the Tribunal to hear the parties and decide on the remitted issue. PVN referred

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to my order to the effect that PM may not take any steps to enforce the Final Award in the meantime. PVN submitted that it believed that my order meant that PM could not take any steps to enforce the Final Award *worldwide*.

34 I rejected PVN's submission that the order that I made on 23 July 2024 applied worldwide. That submission was nothing more than a shot from the hip that was way wide off the mark. It was not an accurate representation of the order that I had made. The order that I made was that PM may not take any steps to enforce the Final Award "*pursuant to HC/ORC 722/2024* dated 13 February 2024 in OA 141 in the meantime" [emphasis added]. HC/ORC 722/2024 was an order made in OA 141 granting PM leave to enforce the Final Award in the same manner as a judgment or an order to the same effect. There could not have been any doubt that the effect of my order was that PM may not take any steps to enforce the Final Award *in Singapore*. PVN's submission simply chose to ignore the words "pursuant to HC/ORC 722/2024".

The ends of justice argument

35 PVN submitted that the ends of justice required that PM be prevented from enforcing the Awards elsewhere pending the Court of Appeal's decisions in CA 48 and 49. PVN submitted that it was likely that the Court of Appeal would rule in its favour, and argued that the injunction was necessary to preserve the equities of the parties in the meantime as otherwise, PVN's appeal may be rendered nugatory.

36 In my view, there was no merit to PVN's submission. As PM submitted, even if the Court of Appeal decided in PVN's favour and set aside the Final Award, under the Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention"), the Russian court (as the

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enforcement court) had the discretion whether to give effect to the Singapore Court of Appeal's decision (as the seat court) setting aside the Final Award.

37 It is an established principle that under the New York Convention, an enforcement court is not bound to abide by a seat court's decision to set aside an arbitral award. Article V(1)(*e*) of the New York Convention provides that:

> 1. Recognition and enforcement of the award may be refused, at the request of the party against whom it is invoked, only if that party furnishes to the competent authority where the recognition and enforcement is sought, proof that –
>
> …
>
> (*e*) the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

38 As the Court of Appeal stated in *The Republic of India v Deutsche Telekom AG* [2024] 1 SLR 56 ("*Deutsche Telekom*") at [76]:

> On a plain reading, Art V(1)(*e*) of the New York Convention is worded permissively with the use of the word "may". It permits, but does not require, an enforcement court to abide by a seat court's decision to set aside an arbitral award, when deciding whether to refuse recognition and enforcement of the award …

39 In its written submissions, PVN referred to Article V(1)(*e*) of the New York Convention and submitted that "if the [Final] Award is suspended it *cannot* be enforced in a state which is a signatory of the [New York] Convention" [emphasis added]. This submission was clearly wrong. During oral submissions, PVN conceded that under the New York Convention, an enforcement court is not bound by the seat court's decision to set aside an award.

40 In its written submissions, PVN also submitted that "for reasons which are opaque, the Russian Court seems willing to assist PM, a Russian company,

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in its attempts to circumvent the [New York] Convention" and that the Singapore court (as the supervising court) should uphold the principles of the New York Convention. In my view, this submission took PVN nowhere. The aspersion that PVN cast against the Russian courts was unfounded in principle and unsupported by any evidence. There was no circumvention of the New York Convention to speak of. PM's attempts to enforce the Final Award in Russia were well within its rights. PVN tried to persuade the Russian courts to refuse to enforce the Final Award but failed. The Russian courts could not be said to have contravened the New York Convention. In the circumstances, granting the injunction sought by PVN in this case would not be consistent with the New York Convention, which gives an enforcement court a *discretion* whether to refuse to enforce an award that has been set aside or suspended by the seat court.

41 PVN argued that the present case had not reached the stage where the seat court had set aside the Awards; the Court of Appeal's decision was still pending. In my view, the fact that the Court of Appeal's decisions in CA 48 and CA 49 were still pending did not assist PVN. Even if the Court of Appeal decided to set aside the Final Award, it would still be up to the Russian court (or any other enforcement court, for that matter) to decide whether to abide by the Court of Appeal's decision (as the seat court) when deciding whether to refuse recognition and enforcement of the Awards. Indeed, the fact that the Court of Appeal had not given its decision meant that there was no order setting aside the Final Award. This made PVN's case weaker.

42 In the circumstances, the fact that CA 48 and CA 49 were still pending was not sufficient reason for the injunction sought by PVN. Further, it could be said that by agreeing to arbitration seated in Singapore (a signatory to the New York Convention), PVN had also agreed to an arbitration regime under which

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the enforcement court (if it were in a jurisdiction that was likewise a signatory to the New York Convention) retained the discretion whether to refuse enforcement on the ground that the arbitral award had been set aside by the seat court. It did not lie in PVN's mouth to argue that PM should be prevented from enforcing the Awards elsewhere just because the Court of Appeal had not given its decision in CA 48 and CA 49.

Conclusion

43 For the reasons set out above, I dismissed PVN's application and ordered PVN to pay costs fixed at $25,000 (inclusive of disbursements). PM argued for indemnity costs on the ground that the application was wholly unmeritorious and devoid of legal basis (see *Tecnomar & Associates Pte Ltd v SBM Offshore NV* [2021] SGCA 36 at [29]). On balance, I decided that indemnity costs were not warranted. I did not think that PVN's conduct in pursuing this application was so unreasonable as to warrant indemnity costs, although I would add that it came close.

Chua Lee Ming
Judge of the High Court

Dr Colin Ong Yee Cheng KC, Koh Choon Guan Daniel, Wong Hui Yi Genevieve (Eldan Law LLP) for the claimant;
Kronenburg Edmund Jerome, Sim Wei Min Stephanie, Chan Yu Jie (Braddell Brothers LLP) for the defendant.

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