

Tom Tugendhat MP
Chair of the Foreign Affairs Committee
Committee Office
House of Commons
London SW1A 0AA

24th October 2018

Dear Mr Tugendhat,

Thank you for your letter of 17 October.

By way of background, I have been since 2005 a full-time employee and director of Sovcomflot (UK) Ltd, the London office of Sovcomflot. Sovcomflot, currently fully owned by the State Property Fund of Russia, is a leading international shipping company specialising in the carriage of crude oil, petroleum products and gas with a current fleet of 148 vessels. Its major clients include, among others, Shell, BP, Exxon, Chevron, Total, Vitol and Glencore, and it is a significant consumer of legal and other financial services in the UK including accounting, banking, shipbroking and insurance.

Sovcomflot (UK) Ltd currently employs fifteen staff in the UK from where it conducts Sovcomflot's international chartering business. Sovcomflot's CEO, Sergey Frank, is a leading figure in the international shipping community and has on three occasions attended small gatherings with the UK Government in Downing Street as part of London International Shipping Week.

On 10 July this year I, together with my colleague David Moorhouse CBE a current member of the Sovcomflot Board of Directors, attended a meeting with the Security Minister and his official Dr John Lunan. Mr Moorhouse was for seven years Executive Chairman and for four years Non- Executive Chairman of Lloyd's Register and for eight years Deputy Chairman of the UK's Foundation for Science & Technology. He is also currently Chairman of Braemar Shipping Services PLC and the Senior Non- Executive Director at James Fisher PLC.

The principal reason for the meeting was to make the Minister aware of circumstances concerning a Russian national by the name of Yuri Nikitin with whom Sovcomflot have, over the past decade and more, been engaged in litigation in London. The English Courts have found that Mr Nikitin paid significant bribes to officers of Sovcomflot based both in London and Moscow and further that Mr Nikitin conspired with London shipbrokers, among others, to defraud Sovcomflot of many millions of US Dollars. These events took place in the period 2000- 2004 under Sovcomflot's previous management. Notwithstanding these findings, Sovcomflot understands that Mr Nikitin has been granted asylum in the UK and currently resides in some comfort in Ascot.

I hope that the above provides the Committee with some useful background to, and the reasons for, the meeting with the Minister in July.

Yours sincerely,

A handwritten signature in black ink that reads "Nicholas Fairfax". The signature is written in a cursive style and is underlined with a single horizontal line.

Lord Fairfax of Cameron