

Q&A on the European Court of Human Rights award of "just satisfaction"

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The European Court of Human Rights today issued a judgment on just satisfaction in the case of *Berdzeneshvili and Others v. Russia*. What is just satisfaction and how does it work?

The Court has the power under Article 41 of the <u>European Convention on Human Rights</u> to award "just satisfaction" to those who have suffered violations of their Convention rights. Such an award is equivalent to damages or compensation for the injured party or parties. It can be used to compensate for pecuniary or non-pecuniary damage, such as mental or physical suffering, as well as for legal costs and expenses. It is intended to compensate applicants, not to punish member States.

Does the Court always award just satisfaction when it finds violations of the Convention?

It often awards just satisfaction, but does not always do so. When it comes to claims in respect of non-pecuniary damage, it sometimes decides that the finding of a violation is by itself sufficient for the injured party.

How does the Court decide how much to award in just satisfaction?

Among other things, the Court takes into account the nature and extent of the violations it has found, the particular features of each case, and whether any of the damage was caused by the actions of the applicant. It usually also takes into account the local economic circumstances of the country concerned.

Do applicants have to prove that they have suffered pecuniary or non-pecuniary damage?

Applicants have to demonstrate a clear causal link because the damaged claimed to have been caused by the violation or violations alleged. For pecuniary damage, the applicant must submit documents to prove, as far as possible, the existence and the amount or value of the damage. The Court's award can involve compensation for actual losses and ones which might occur in the future.

As non-pecuniary damage can be difficult to quantify, the Court makes its assessment of damages on an equitable basis, having regard to the standards which emerge from its case-law. Applicants are asked to state a sum which they think would be equitable.

The Court can also compensate applicants for reasonable costs and expenses which have been necessarily incurred at the domestic level and before the Court itself in trying to prevent a violation from occurring, or in trying to obtain redress for one. The costs and expenses must have been actually incurred, meaning the applicant must have paid them, or be bound to pay them under a legal or contractual obligation.

What is the biggest award of just satisfaction the Court has made?

The largest award was in in July 2014 in the case of <u>Yukos v. Russia</u>, which concerned tax penalties that had been imposed on the Russian oil company, OAO Neftyanaya Kompaniya Yukos, by the



authorities. The Court awarded approximately 1.87 billion euros to the applicant company's shareholders as they had stood at the time of the company's liquidation or to their legal successors.

Do applicants have to pay tax on compensation awarded by the Court?

Awards in respect of non-pecuniary damage are exempt of tax. Awards in respect of pecuniary damage are sometimes liable to tax, for instance if they concern wages, whereas awards for loss of value would normally be exempt from tax. Awards for costs and expenses are exempt from taxation for applicants. Awards paid directly to legal representatives are usually taxable.

What is the payment procedure if the Court makes an award for just satisfaction?

The Court normally orders that payment be made by the Respondent Government within three months of a judgment becoming final and binding. It also orders default interest in the event of non-payment of the European Central Bank's marginal lending rate plus three percentage points during the default period.

Enforcement of such awards is supervised by the Committee of Ministers of the Council of Europe with the assistance of the Department for the Execution of Judgments of the European Court of Human Rights. Information about the work of the Department can be found https://execution.org/learning/<a>

Is an award of just satisfaction the only way the Court can respond in practical term to violations of the Convention?

Under Article 46 of the Convention, the Court sometimes provides guidance on how further violations can be avoided in the future. The Committee of Ministers of the Council of Europe is responsible for overseeing the enforcement of judgments.

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Press contacts

echrpress@echr.coe.int | tel: +33 3 90 21 42 08

Patrick Lannin (tel: + 33 3 90 21 44 18)

Tracey Turner-Tretz (tel: + 33 3 88 41 35 30)

Denis Lambert (tel: + 33 3 90 21 41 09)

Inci Ertekin (tel: + 33 3 90 21 58 77)

Somi Nikol (tel: +33 3 90 21 64 25)

The European Court of Human Rights was set up in Strasbourg by the Council of Europe Member States in 1959 to deal with alleged violations of the 1950 European Convention on Human Rights.