CONSEIL DE L'EUROPE

COUNCIL OF EUROPE

COUR EUROPÉENNE DES DROITS DE L'HOMME
EUROPEAN COURT OF HUMAN RIGHTS

FIRST SECTION

DECISION

AS TO THE ADMISSIBILITY OF

Application no. 67578/01
by Vladimir Mikhaylovich APPOLONOV
against Russia

The European Court of Human Rights (First Section), sitting on 29 August 2002 as a Chamber composed of

Mr C.L. ROZAKIS, *President*,
Mrs F. TULKENS,
Mr G. BONELLO,
Mr E. LEVITS,
Mrs S. BOTOUCHAROVA,
Mr A. KOVLER,
Mrs E. STEINER, *judges*,
and Mr E. FRIBERGH, *Section Registrar*,

Having regard to the above application lodged on 4 January 2001 and registered on 28 March 2001,

Having deliberated, decides as follows:

THE FACTS

The applicant, Vladimir Mikhaylovich Appolonov, is a Russian national. He was born in 1925 and lives in Kazan.

A. The circumstances of the case

The facts of the case, as submitted by the applicant, may be summarised as follows.

The applicant brought proceedings against the Government and the Ministry of Finance. He claimed that the value of his personal savings, which he had deposited with the Savings Bank, had significantly dropped following economic reforms, and that the State had not properly discharged its obligation to revalue the deposits in the Savings Bank (*Сберегательный банк*) in order to offset the effects of inflation, even though it had assumed that obligation under the Law on Revaluation and Protection of the Savings of Citizens of the Russian Federation enacted on 10 May 1995 (*Федеральный закон «О восстановлении и защите сбережений граждан Российской Федерации»*, hereinafter – "Savings Act").

On 17 June 1999, the Presninskiy District Court of Moscow (*Пресненский районный суд г. Москвы*) dismissed the applicant's case, having found that the current legislation did not create a right to compensation as claimed by the applicant.

On appeal, this finding was confirmed by the Moscow City Court (*Московский городской суд*) on 22 September 2000. It was held, *inter alia*, that the applicant had benefited from preliminary compensation in respect of his savings pending the launch of the full-scale compensation envisaged in the Savings Act.

On 28 January 2000, the Ministry of Finance informed the applicant that his devalued savings would be converted into special bonds as set out in the Savings Act only after all the necessary subordinate legislation had been passed.

B. Relevant domestic law

By Section 1 of the Savings Act, the State guarantees the restoration and preservation of the value of monies deposited with the Savings Bank before 20 June 1991. The Act recognises guaranteed savings as an internal State debt secured by State property and assets at the Government's disposal. It provides that savings shall be converted into special State bonds guaranteeing a purchasing power equivalent to that of the national currency in 1990. Section 12 provides that the conversion shall be carried out on the basis of relevant federal laws.

Pending full implementation of the Savings Act, several presidential decrees and governmental orders have been passed to enable certain socially vulnerable groups of the population to receive partial reimbursement of their savings, e.g. Presidential Decrees no. 733 of 16 May 1996 and no. 1269 of 2 December 1997, Government Regulations no. 677 of 30 June 1998, no. 553 of 20 May 1999, no. 352 of 19 April 2000, no. 222 of 19 March 2001, no. 152 of 13 March 2002.

COMPLAINT

The applicant complains under Article 1 of Protocol No. 1 to the Convention that as a result of inflation the savings accumulated in his Savings Bank account have lost their purchasing power and that the State's failure to discharge its obligation under the Savings Act to restore the value of his bank deposits amounts to a deprivation of property.

THE LAW

The applicant submits that there has been a breach of Article 1 of Protocol No. 1 caused by the effect that inflation has produced on his savings and about the State's failure effectively to compensate him in this respect. Article 1 of Protocol No. 1 to the Convention reads as follows:

> "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."

The Court notes that the applicant has suffered from the depreciation of Russian currency and inflation. However, the Court recalls that Article 1 of Protocol No. 1 does not oblige a State to maintain the purchasing power of sums deposited with financial institutions (see X. v. the Federal Republic of Germany, application no. 8724/79, Commission decision of 6 March 1980, Decisions and Reports 20, p. 226; *Rudzinska v. Poland* (dec.), no. 45223/99, 7 September 1999, ECHR 1999-VI; or, as a more recent authority, *Gayduk and Others v. Ukraine* (dec.), no. 45526/99, 2 July 2002, ECHR 2002-...).

The Court further notes that the State has nevertheless undertaken such an obligation by enacting the Savings Act with the purpose of creating a State-supported scheme aimed at revaluing monies deposited with the bank before 20 June 1991. The Act provided for the savings to be converted into special bonds that guaranteed the same purchasing power as that offered by the national currency in 1990.

The Court notes that the Presninskiy District Court of Moscow held that the applicant's entitlement to compensation was limited to partial payments under relevant presidential decrees pending full implementation of the Savings Act. In the light of the domestic courts' judgments in the present case, it cannot be said that the Russian law in its current state creates an

enforceable obligation on the State to compensate for losses caused by inflation.

Moreover, the State's failure promptly to carry out the full-scale compensation envisaged in the Savings Act cannot be said to violate the applicant's rights under Article 1 of Protocol No. 1 to the Convention.

It follows that this complaint is manifestly ill-founded and must be rejected in accordance with Article 35 §§ 3 and 4 of the Convention.

Declares the application inadmissible.

Erik FRIBERGH
Registrar

Christos ROZAKIS
President