

## JUDGMENT SUMMARY

<b>Neutral Citation</b>	[2025] ADGMCFI 0011
<b>Case Number</b>	ADGMCFI-2025-144
<b>Name of Case</b>	Andriy Sheremet v CQT Investment Group Ltd
<b>Judge</b>	Justice Paul Heath KC
<b>Date Issued</b>	4 June 2025
<b>Catchwords</b>	Application to vary order requiring payment into Court. Payment into Court a condition of extension of time to file a defence. Effect of insolvency on requirement to pay money into Court.
<b>Cases Cited</b>	Abu Dhabi Commercial Bank PJSC v Prasanth Manghat [2022] ADGMCFI-0007
<b>Legislation and Authorities Cited</b>	ADGM Court Procedure Rules 2016 – Rules 1-8, 44(2), 44(3), 46(1) and 46(2)
<b>Executive Summary</b>	This judgment considered CQT Investment Group Ltd (“ <b>CQT</b> ”)’s application to vary an order (the “ <b>Variation Application</b> ”). The Court dismissed the Variation Application and upheld the condition for CQT to pay USD 216,000 into Court for an extension to file its Defence. This decision was largely driven by CQT’s admitted insolvency and inconsistent defence arguments, ensuring the payment acts as security for the Claimant, Mr. Sheremet given the risk of unenforceable judgment. New deadlines for payment and for filing a defence were set.
<b>Overall Summary</b>	<p><b>Background</b></p> <p>This Abu Dhabi Global Market (“<b>ADGM</b>”) Court of First Instance (Commercial &amp; Civil Division) judgment concerns an application by CQT Investment Group Ltd (“<b>CQT</b>”) to vary an order made on 16 May 2025 (the “<b>Variation Application</b>”). The original order granted CQT an extension of time to file its Defence to a claim brought by Andriy Sheremet, but it was conditional on CQT paying a sum of USD 216,000 into Court.</p> <p>Mr. Sheremet’s claim, filed on 24 March 2025, stems from an investment he and two other individuals, Mr. Tal Zarjevsky and Mr. Alen Kaminski, made in CQT, totalling USD 2,500,000. Mr. Sheremet’s investment was</p>

USD 1,000,000 under a Limited Partner Agreement (the “**Agreement**”). After disagreements, the Agreement was terminated on 9 July 2024, leading to discussions about reimbursement. Mr. Sheremet asserts he received USD 568,000 between December 24 and 26, 2024, leaving a sum of USD 432,000 still owing to him BY CQT.

#### ***Prior Proceedings and Orders***

Prior to the current application, Mr. Sheremet applied for a worldwide freezing order against CQT on March 18, 2025, to prevent CQT from dissipating assets up to USD 432,000. The order was granted on March 28, 2025, based on criteria from *Abu Dhabi Commercial Bank PJSC v Prasanth Manghat*. CQT's General Manager, Mr. Mohamed Alubeid, contended the debt was paid, but the Court found no supporting documentation. CQT's subsequent attempt to discharge the freezing order was rejected for procedural non-compliance.

Mr. Sheremet's Claim was filed on March 24, 2025. CQT failed to file its Defence by the April 21, 2025, deadline, citing a “*wrongly diarised*” deadline. CQT then filed an Extension of Time Application on April 30, 2025, shortly before Mr. Sheremet filed a Default Judgment Application on the same day.

On May 16, 2025, the Court granted CQT's Extension of Time Application on the condition that CQT pay USD 216,000 (half of the amount claimed) into Court by May 30, 2025, to be held pending further order. The condition of payment into Court was imposed due to several concerns:

- The proximity of CQT's extension request to Mr. Sheremet's default judgment application.
- Inconsistent elements of CQT's proposed defence, including differing accounts from CQT's General Manager, Mr. Mohamed Alubeid, and its legal representative, Mr. McCoy.
- CQT's failure to resubmit an application to discharge the worldwide freezing order, which had been rejected due to procedural non-compliance.

#### ***The Variation Application***

CQT sought to vary the order made on 16 May 2025, seeking to remove the condition for payment into Court. CQT contended that:

The Court erred in concluding the Default Judgment Application was “*in an advanced state of preparation*”.

The Court overemphasized “*inconsistent elements*” in CQT's defence, which Mr. McCoy clarified as a “*difference in emphasis rather than substance*”.

Mr. Sheremet failed to establish any prejudice that would arise from an unconditional extension. CQT's defence evolved from asserting the debt was fully paid to alleging Mr. Sheremet's claim “*bears the hallmarks of a conspiracy*” against CQT, and eventually claiming Mr. Sheremet had been repaid through Mr. Zarjevsky, or that Mr. Zarjevsky held funds in trust for Mr. Sheremet. Mr. McCoy also presented “*new documents*,” including an

	<p>unexecuted "draft agreement" referencing "Andri Sherman," which he suggested cast doubt on the Claim.</p> <p><b>Analysis</b></p> <p>The Court noted the evolving and inconsistent nature of CQT's defence, from initial assertions of full payment to claims of a conspiracy and repayment through Mr. Zarjevsky. While acknowledging factual disputes requiring judicial resolution, the most significant factor was CQT's acknowledged insolvency. Both Mr. Alubeid and Mr. McCoy confirmed CQT was "insolvent" and had "no assets exceeding USD 10,000," making it unable to pay the USD 216,000 into Court.</p> <p>The Court highlighted that the purpose of a payment into Court, under Rule 8(4) of the ADGM Court Procedure Rules 2016, is to act as security for any sum payable to another party, especially when there is a real risk a judgment cannot be enforced. Given CQT's admitted insolvency and the Court's doubts about the reliability of CQT's evidence, the Court found that there was a sufficient risk to Mr. Sheremet that any successful judgment might not be enforceable.</p> <p>The Court determined that requiring payment into Court was appropriate and maintained the USD 216,000 payment condition. The Court also suggested that CQT could obtain funds from associated parties to meet the condition and file its Defence.</p> <p><b>Conclusion</b></p> <p>The Variation Application was dismissed. The Court amended the May 16, 2025, order to reflect new deadlines: CQT must pay USD 216,000 into Court by 12:00 pm on June 19, 2025. If this payment is made, CQT has permission to file and serve its Defence by 4:00 pm on June 30, 2025. If the payment is not made, Mr. Sheremet has the liberty to request default judgment. CQT was also ordered to pay Mr. Sheremet's costs for the Variation Application.</p>
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***This statement is not intended to be a substitute for the reasons of the Court or to be used in any later consideration of the Court's reasons.***