

The Impact of International Conflict on Cross-Border Commercial Dispute Resolution

Dmitrii Shchetinin, Stanislav Avdeev*

Abstract

International trade depends on the expectation that courts will protect commercial interests when disputes arise. With the growing number of international conflicts, it is crucial to know whether this expectation is met in practice. We examine the effect of the 2014 annexation of Crimea on the enforcement rate of foreign decisions by Russian and Ukrainian judges. We assemble novel data on the entire universe of Russian and Ukrainian court decisions concerning the enforcement of foreign decisions resolving cross-border commercial disputes. Using a difference-in-differences design, we find that the enforcement rate of Ukrainian (Russian) decisions in Russia (Ukraine) fell by 26% (33%) after the annexation. We show that courts increasingly justified refusals through discretionary legal grounds and undue-notification claims. Our findings provide the first causal evidence that international conflict affects both judicial decision-making and compliance with commercial treaties.

Keywords: Arbitration, Armed conflict, Cross-border commerce, Extrajudicial factors, International commercial disputes, Transnational litigation

JEL Codes: D74, F14, F51, F53, K33

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1 Introduction

International trade depends on trust. Firms often contract with foreign partners whom they do not know well, operate under different legal systems, and cannot easily discipline through local reputation or repeated interaction. A seller may ship goods before receiving full payment; a buyer may prepay for delivery; a creditor may extend financing to a debtor whose assets are abroad. These transactions are possible because firms expect that, if a dispute arises, their commercial interests can ultimately be protected by courts. This expectation is central to cross-border commerce: weak contract enforcement and legal insecurity act as hidden trade costs ([Anderson and Marcouiller, 2002](#)), while the quality of courts and contract enforcement shapes both the volume and pattern of trade ([Levchenko, 2007](#); [Nunn, 2007](#)). Courts are especially important for new or less established trading relationships, where private trust and relational contracting are weakest ([Johnson et al., 2002](#)).

Cross-border disputes are a routine part of international trade. Estimates suggest that between \$600 billion and \$1 trillion is disputed globally in international commercial cases each year, and the wide network of the International Chamber of Commerce and its dispute-resolution institutions reflects the scale of this area ([Buehler et al., 2017](#); [International Chamber of Commerce, 2025](#); [Oxera, 2025](#); [ReedSmith, 2026](#)). But dispute resolution protects commercial interests only if the resulting judgment or arbitral award can be enforced, often in another jurisdiction where the losing party holds assets.¹ International enforcement treaties are designed to make this final step uniform, predictable, non-discriminatory,

¹For this reason, the World Bank regularly measures different aspects of contract enforcement and dispute resolution, including the international enforcement of judgments and awards ([Bank, 2025](#)).

and efficient: judges in one country are expected to enforce foreign decisions without revisiting the merits of the underlying dispute, verifying only that basic procedural standards, such as proper notification, have been met.

Whether enforcement remains resilient under external shocks is an open question, and one that is especially salient today. Interstate conflicts have become more frequent and visible, ranging from trade and proxy wars to hybrid and armed conflicts, imposing substantial material and intangible costs on states, firms, and individuals (UCDP, 2024). International conflicts create incentives for courts to deviate from impartiality, raising the possibility that cross-border enforcement of commercial contracts itself becomes politicized. This matters because effective enforcement underpins international trade and, more broadly, the credibility of international treaties. Despite this importance, existing work has focused on how conflict affects trade, production, and finance, while the judiciary, the institution responsible for enforcing international economic agreements, has received little attention.

This paper examines the impact of the 2014 annexation of Crimea by Russia, the most significant geopolitical shock in Europe of the 2010s, on the enforcement rate of foreign decisions in commercial disputes by judges in Russia and Ukraine. At first glance, one might dismiss this inquiry as trivial: given the perception that Russian and Ukrainian judges are known to be not fully independent, any evidence of bias might appear unsurprising. Yet this intuition is misleading in the cross-border dispute resolution context we study. Prior to the annexation, the enforcement rate of foreign commercial decisions in both countries was consistently high, averaging 90-100%, which shows that judges largely refrained from political interference in this domain. Unlike the criminal justice process, which

is widely viewed as vulnerable to political influence in Russia and Ukraine, the adjudication of cross-border commercial disputes had remained predictable and relatively insulated from political influence prior to the annexation.²

The annexation of Crimea provides a unique setting to study the effects of international conflict on cross-border dispute resolution due to three key factors: *(i)* the stability of the legal framework, *(ii)* the availability of a universe of decisions, and *(iii)* the ability to compare both sides of the conflict. First, the chosen legal domain is particularly suitable because enforcing judges are required to focus solely on *compliance* with formal legal requirements rather than the *substance* of the disputes and the procedure is governed by international treaties. Since these treaties remained unchanged, enforcement rates should remain unaffected even in times of conflict. Any observed shifts would therefore indicate political or other biases triggered by the international conflict. Second, a key advantage of this setting is that courts in both Russia and Ukraine are legally required to publish all decisions, unlike in the US or Western Europe. This eliminates concerns about publication bias and provides a complete view of judicial decision-making. Third, by examining decisions from both Russia and Ukraine, this study provides a rare opportunity to conduct a comparative study on differences and similarities between the attacking and defending countries.

To identify the impact of international conflict on judicial behaviour, we exploit the unexpected annexation of Crimea in March 2014 using a difference-in-differences design. We assemble novel data on the entire universe of Russian

²The situation in Russia and Ukraine can be well understood through the concept of legal dualism, which distinguishes between mundane and political cases. Mundane cases, which represent the vast majority of civil litigation, are decided according to the written law, with judges acting as textbook positivists who adhere strictly to legal rules (Hendley, 2022). Political cases, by contrast, are resolved in line with political directives rather than legal principles. The enforcement of foreign decisions falls within the category of mundane cases.

and Ukrainian court decisions concerning the enforcement of foreign decisions resolving international commercial disputes from 2009 to 2019. The construction of this dataset is itself a contribution of the paper: it combines decisions from two national court systems, written in two different languages, and harmonizes them into a common empirical framework. By comparing the enforcement rates of Ukrainian (Russian) decisions with those of non-Ukrainian (non-Russian) decisions in Russia (Ukraine) before and after the annexation, we estimate the causal effect of international conflict on judicial behaviour. We provide supportive evidence that, prior to the annexation, enforcement rates for the treated and control groups evolved in parallel.

The findings indicate that the annexation of Crimea had a significant negative impact on the enforcement of foreign decisions in both Russia and Ukraine. Following the annexation, the enforcement rate of Ukrainian decisions in Russia decreased by 25.6 percentage points, representing a 26.0% decline from the pre-annexation mean of 98%. Similarly, in Ukraine, the enforcement rate of Russian decisions dropped by 28.5 percentage points, amounting to a 33.2% decline from a mean of 86%. Although appeals of Ukrainian (Russian) decisions in Russia (Ukraine) increased by 12.1 (12.5) percentage points after the annexation, appellate courts largely upheld the first-instance court decisions, indicating that the higher courts did not correct the observed bias. The results withstand a battery of robustness checks involving alternative model specifications, inference procedures, sample definitions, and treatment timing based on registration dates.

Back-of-the-envelope calculations suggest that Ukrainian and Russian firms faced approximately \$100 million and \$180 million, respectively, in uncollected cross-border claims over 2014–2019 as a result of the decline in enforcement fol-

lowing the annexation. [Korovkin and Makarin \(2023\)](#) estimate that the annexation reduced mutual trade by up to \$1 billion during 2014–2016. Over the same period, our calculations indicate approximately \$60 million in uncollected claims. Thus, beyond its effect on trade flows, the conflict imposed a separate financial burden on firms involved in cross-border transactions by undermining the judicial enforcement of contracts.

To understand how judges justified refusals to enforce foreign decisions, we examine the legal grounds cited in non-enforcement decisions. First, judges in both countries increasingly relied on judicial discretion to interpret a vague legal concept “public policy exception”, likely using it to mask non-legally motivated decisions. Under international treaties, this exception is intended to be applied only in highly exceptional circumstances and used restrictively, such as cases of corruption. Second, disruptions in international postal services seem to have led to more frequent claims of undue notification as a basis for rejecting enforcement.

This paper makes three contributions to the literature on: *(i)* the indirect consequences of conflicts, *(ii)* the role of courts in international trade, and *(iii)* empirical studies on international dispute resolution.

Our main contribution is to provide the first causal evidence of the impact of international conflict on judicial decision-making. While previous research has examined the impact of conflict on trade, production, supply chains, stock market, nation building, and domestic violence,³ the judiciary has received little

³Examples include the influence of conflict on trade ([Martin et al., 2008](#); [Glick and Taylor, 2010](#); [Rohner et al., 2013](#); [Fajgelbaum et al., 2020](#); [Korovkin and Makarin, 2023](#); [Fajgelbaum et al., 2024](#)), firm production ([Guidolin and Ferrara, 2007](#); [Lind et al., 2014](#); [Amodio and Di Maio, 2018](#)), supply chains ([Flaen et al., 2020](#); [Couttenier et al., 2022](#); [Korovkin et al., 2024](#)), stock market ([Fisman et al., 2014](#)) nation building ([Gennaioli and Voth, 2015](#); [Dell and Querubin, 2018](#); [Abramenko et al., 2026](#)), and domestic violence ([Cesur and Sabia, 2016](#)).

attention.⁴ Our findings show that even institutions designed to remain independent and impartial, such as courts, are not immune to international conflicts. In addition, our study provides a unique comparative perspective by examining both sides of the conflict, highlighting differences as well as similarities between the attacking and defending countries.

We also contribute to the literature on cross-border trade by showing that courts and legal enforcement are an important part of the institutional infrastructure that sustains international exchange. Existing work emphasizes that trade depends not only on market access and formal agreements, but also on credible institutions for enforcing contracts and resolving disputes ([Anderson and Marcouiller, 2002](#); [Johnson et al., 2002](#); [Levchenko, 2007](#); [Num, 2007](#)). We provide the first causal evidence that geopolitical conflict can weaken this enforcement infrastructure by reducing domestic courts' willingness to enforce foreign commercial decisions. In doing so, the paper shows that commercial treaties may fail to achieve their goals even when the formal legal framework remains unchanged.

Finally, we contribute to the legal literature on international dispute resolution that explains why states enforce foreign decisions ([Carswell, 1959](#); [Stevens, 2002](#); [Michaels, 2009](#)). Lawyers use two legal doctrines: vested rights and international comity. While the vested rights doctrine views foreign decisions as pre-existing rights that should be upheld, the international comity doctrine links enforcement to political relations between states. Our findings provide the first empirical evidence in support of the international comity doctrine, showing that political relations between states have a stronger influence on enforcement than protection of legal rights acquired abroad.

⁴Prior work on conflict and judicial outcomes ([Epstein et al., 2005](#); [Clark, 2006](#); [Collins et al., 2008](#); [Schorpp and Reid, 2017](#)) offers only correlational estimates.

The findings have important policy implications, highlighting how geopolitical events exert influence over judicial decisions, thereby undermining the predictability and impartiality expected in the enforcement of law. To mitigate risks of non-enforcement, maintaining postal and communication services between countries might ensure the continued functioning of international treaties even amid conflicts. States should also prioritize the use of clear and precise language in international treaties to minimize the risk of biased judicial interpretations, particularly by non-independent judiciaries, where vague concepts could lead to treaty failure. To avoid judicial bias, it is advisable to choose a place of dispute resolution outside of conflicting states. These measures would enhance the resilience of international dispute resolution, reduce uncertainty in international trade, and encourage long-term cross-border cooperation.

The paper is structured as follows. Section 2 outlines the events leading to the annexation and the legal procedures for enforcing foreign decisions. Section 3 describes the data and identification strategy. Section 4 presents the main findings, examines heterogeneity, investigates underlying mechanisms, and assesses robustness. Section 5 concludes.

2 Institutional Background

In this section, we outline the events leading to the annexation and describe the legal procedures for enforcing foreign decisions.

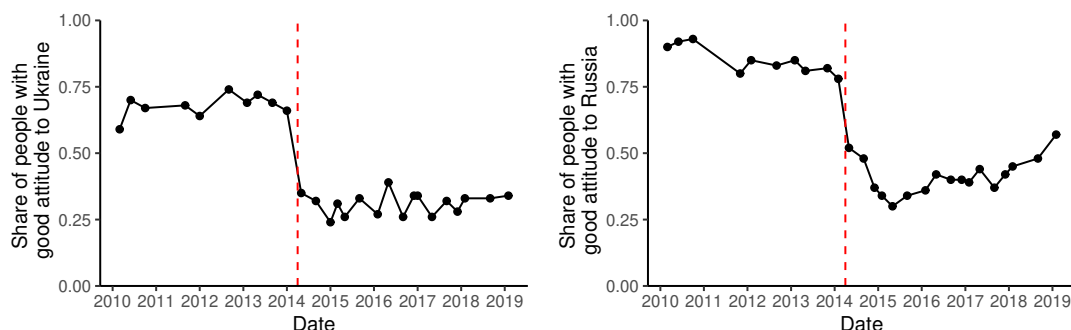
2.1 The Annexation of Crimea

In November 2013, widespread protests erupted in Ukraine in response to the President's decision to reject an association agreement with the European Union in favour of closer ties with Russia. These protests, known as the Euromaidan, escalated into a political crisis that led to the ousting of President Yanukovych on February 22, 2014. Amid the resulting political instability, Russia intervened, deploying unmarked troops to Crimea while simultaneously denying any military involvement. On March 16, 2014, a controversial referendum was held, where a majority reportedly voted in favour of joining Russia. Shortly after, Russia formally annexed Crimea on March 18, 2014, and had achieved full control of the region by the end of the month.

The annexation occurred with minimal direct military confrontation. For example, only two recorded casualties resulted from Russia's takeover of Crimea (Oliphantmpsey, 2014). The annexation triggered a localized armed conflict in parts of two regions in Eastern Ukraine. This conflict remained contained until 2022, when Russia invaded Ukraine, resulting in widespread destruction and humanitarian crises. Given the fundamental differences in scale and nature between the 2014 annexation and the 2022 invasion, our analysis focuses on the period up to 2019 to isolate the effects of international conflict and avoid conflating them with the broader impact of war.

Following the annexation of Crimea, public sentiment between Russia and Ukraine deteriorated sharply. Figures 1a and 1b show a steep decline in favourable views held by Russians towards Ukraine and vice versa. This shift reflects a long-term cooling of relations between the two populations in the wake of the annexation and subsequent conflict.

Figure 1: Mutual attitudes between Russians and Ukrainians before and after the annexation of Crimea



(a) “Good” attitude of Russians towards Ukraine

(b) “Good” attitude of Ukrainians towards Russia

Notes: The red dashed line shows the moment of the Crimea annexation in March 2014.

Source: Levada Center, a Russian non-governmental research organization.

Notes: The red dashed line shows the moment of the Crimea annexation in March 2014.

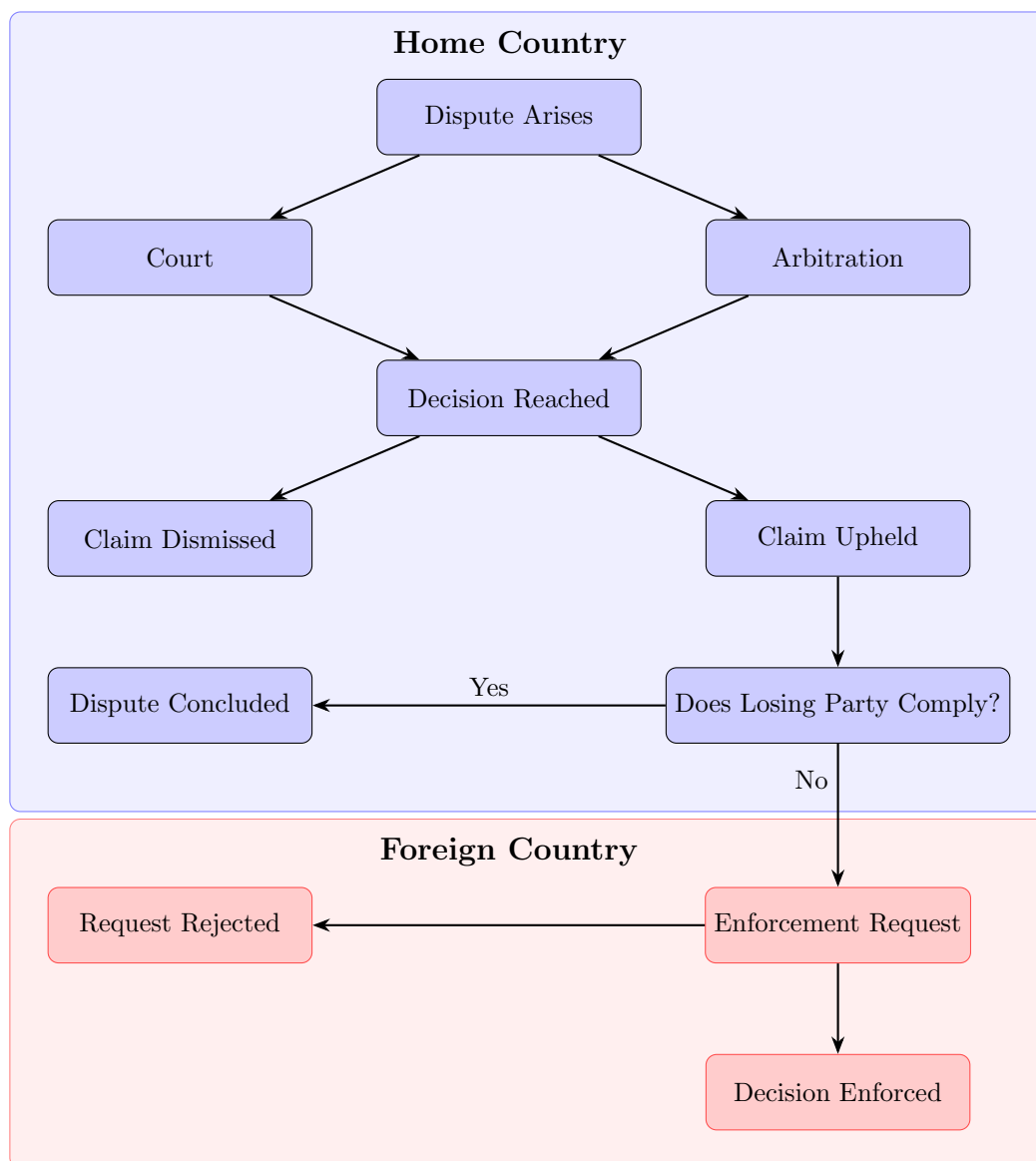
Source: Kyiv International Institute of Sociology, a Ukrainian research company.

2.2 How Foreign Decisions Are Enforced

Figure 2 illustrates the cross-border commercial dispute resolution procedure, divided into two phases: dispute resolution procedure (blue) and enforcement of the judgment/award in a foreign country (red). When parties in a cross-border commercial relationship, such as a supplier in one country and a buyer in another, disagree over unpaid invoices or contract breaches and cannot resolve the issue through negotiation, they often turn to formal dispute resolution mechanisms. Legal disputes in such cases are resolved in two ways: through domestic courts issuing judgments or through arbitration resulting in arbitral awards. Judgments are the outcome of state-based dispute resolution, while arbitral awards arise from private dispute resolution mechanism independent of direct state involvement.

If the losing party does not comply with the decision voluntarily, the winning party can enforce it in the state of origin of the losing party. To initiate this process, foreigners have to submit a request to domestic courts. Judges then

Figure 2: Dispute resolution process.



Notes: The diagram illustrates the dispute resolution process, first, in the country where the initial decision is made (blue) and then in the country where enforcement is sought (red).

assess only the *compliance* of a foreign decision with procedural and fundamental legal principles, not the *substance* of the case, before deciding whether to enforce it.

2.3 Legal Frameworks in Russia and Ukraine

The enforcement of foreign judgments and arbitral awards follows established international and domestic legal frameworks that unify the enforcement procedure and minimize judicial discretion. The 172 parties of the New York Convention (1958),⁵ including Russia and Ukraine, apply a standardized process for enforcing foreign arbitral awards. Similarly, the enforcement of foreign judgements in both countries relies on nearly identical procedures grounded in regional treaties and domestic laws. In the Commonwealth of Independent States, the Kyiv Agreement (1992)⁶ and the Minsk Convention (1993)⁷ historically governed the enforcement of foreign decisions.

These treaties provide a legal framework that requires courts to enforce foreign decisions, permitting refusals only in specific, narrowly defined circumstances. Courts may deny enforcement if procedural flaws are present, such as undue notification of the defendant or an expired statutory limitation period. In addition, enforcement may be denied on public policy grounds, but this exception is intended to apply only in rare cases where enforcement would fundamentally contradict the enforcing country's legal principles. Section 4.4 further examines how courts apply procedural flaws and the public policy exception in practice.

All treaties regulating the enforcement procedure remained unchanged throughout the studied period from 2009 to 2019, ensuring that the legal framework remained consistent during this time.⁸ Both Russia and Ukraine prioritize

⁵United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the New York Convention).

⁶Agreement on the Settlement of Disputes Relating to the Exercising of Economic Activity 1992 (the Kyiv Agreement).

⁷Convention on Legal Assistance in Civil, Family Relations and Criminal Matters 1993 (the Minsk Convention).

⁸Ukraine denounced the Minsk Convention in 2022 ([Law, 2022](#)) and the Kyiv Agreement in 2023 ([Law, 2023](#)).

international treaty obligations over domestic regulations, ensuring consistency in applying these rules (Kostin and Davydenko, 2017; Perepelynska, 2017). Russian and Ukrainian legal systems follow civil law tradition where judges are seen as implementers of the law rather than interpreters or creators. This institutional similarity between Russia and Ukraine provides a unique opportunity to compare judicial decision-making in two countries with shared historical roots but differing political regimes during conflict.

2.4 Theories Behind Enforcing Foreign Decisions

In legal studies, the enforcement of foreign decisions is explained by two main theories: the doctrine of vested rights, which originated in common law, and the doctrine of international comity principles, which emerged in civil law (Michaels, 2009). Under the doctrine of vested rights, when enforcing foreign decisions, domestic courts do not give legal power to these decisions but rather recognize and enforce rights acquired abroad (Carswell, 1959). In this case, the “*personality*” and political relations with another state do not matter for the state where a foreign decision is sought to be enforced. Foreign decisions, in this case, are considered to be evidence of facts of acquiring rights abroad, rather than a product of foreign sovereign activity. Hence, a domestic court is expected to protect those rights if they are violated.

In contrast, the doctrine of international comity suggests that no state is obliged to enforce foreign decisions, but they do it “*as a matter of international courtesy*” (Stevens, 2002). Hence, a state can refuse to enforce foreign decisions if it might endanger the interests of the state or its citizens. For the doctrine of international comity, contrary to the vested rights doctrine, the “*personality*”

and political relations with another state are crucial when domestic courts decide whether to enforce foreign decisions.

3 Research Design

3.1 Data

We manually collected the entire universe of first- and second-instance (appeal) decisions from Russian commercial (arbitrazh) courts and Ukrainian courts from 2009 to 2019.⁹ The primary data source for Russian decisions is the “Bank of Decisions” on the “Electronic Justice” (*“Электронное правосудие” in Russian*) platform, the official digital platform for Russian commercial courts (Justice, 2024). For Ukraine, the data come from the “Unified State Register of Court Decisions” (*“Єдиний державний реєстр судових рішень” in Ukrainian*) (Reyestr, 2024). Both platforms are used to publish all decisions online, ensuring that our data cover the entire universe of decisions. The Russian dataset includes 1,565 and the Ukrainian dataset includes 469 decisions.¹⁰ These decisions correspond to the outcomes of the enforcement stage illustrated in Figure 2 (the procedure in red).

3.2 Identification Strategy

The aim of this study is to estimate the impact of international conflict on judicial decision-making. We exploit the annexation of Crimea as a natural experiment to examine its effect on the enforcement rate of Ukrainian decisions in

⁹Appendix D provides a detailed description of the data collection procedure.

¹⁰Table A1 shows that the Crimea annexation had no statistically significant impact on the number of Ukrainian (Russian) decisions in Russia (Ukraine).

Russia, and vice versa. The legal setting is particularly suited for isolating the impact of the conflict, as judges focus solely on verifying *compliance* with formal requirements, rather than assessing the *substance* of disputes. Given that no legal regulation changes occurred during this period, any shifts in enforcement can be attributed to changes in judicial decision-making rather than modifications to the legal framework.

To estimate these effects, we compare the enforcement rates of Ukrainian (Russian) decisions before and after the annexation of Crimea in Russia (Ukraine). However, these estimates might be biased by other unobserved factors affecting the enforcement of decisions in Russia (Ukraine) over time. To address this, we use decisions from other countries that were unaffected by the annexation.¹¹ Under the parallel trend assumption, changes in differences between the treated and control groups can be attributed to the annexation.

To estimate the effect of the Crimea annexation on enforcement outcomes, we use the following difference-in-differences model:

$$Enforced_{ict} = \beta Treated_c \times Post_t + \alpha_c + \tau_t + \varepsilon_{ict} \quad (1)$$

where $Enforced_{ict}$ is a binary indicator equal to 1 if a decision i from country c is enforced at time t ; $Treated_c \times Post_t$ is an indicator equal to 1 if a decision is

¹¹The Russian-court analysis contains 51 control origin countries and 241 observed country-by-year clusters, while the Ukrainian-court analysis contains 29 control origin countries and 112 observed country-by-year clusters. The control decisions come mainly from CIS (Commonwealth of Independent States) and European countries: in Russian courts, 72% of control decisions originate from CIS countries and 23% from EU/EEA/UK/CH countries; in Ukrainian courts, the corresponding shares are 55% and 41%. Table A2 reports the five largest origin countries and groups the remaining control decisions into CIS, EU/EEA/UK/CH, and other countries. The five largest control origins are Kazakhstan, Belarus, Uzbekistan, the United Kingdom, and Kyrgyzstan in Russia, and Belarus, the United Kingdom, Poland, Moldova, and Sweden in Ukraine.

from a treated group (Ukraine or Russia) and is sought to be enforced after March 2014; α_c are country fixed effects; τ_t are year fixed effects, with 2014 split into January-March and April-December periods. We cluster standard errors at the intersection of the country and year level as the treatment is assigned at this level (Abadie et al., 2023). In Appendix C, we assess robustness to adding covariates, clustering standard errors by country and year, estimating a logit model, redefining treatment timing using registration dates, restricting the sample to cases registered before the annexation, excluding decisions from Crimea and Sevastopol, using a balanced panel, using CIS-only and non-CIS control groups, excluding control countries with few decisions, Fisher-style randomization inference, and leave-one-country-out specifications. Additionally, we report q-values using the method proposed by Anderson (2008) to account for multiple hypothesis testing.

3.3 Evidence on the Identifying Assumption

The key identifying assumption is that, absent the annexation of Crimea, enforcement rates for Ukrainian (Russian) decisions would have followed trends similar to those for non-Ukrainian (non-Russian) decisions. To evaluate the plausibility of this assumption, we test for parallel pre-trends. Figures A1 and A13 show the raw mean enforcement rates and Figures 3 and 4 present event study plots.¹² Before the annexation, nearly 100% of Ukrainian decisions and 85% of other foreign decisions were enforced in Russia, while around 85% of Russian and other foreign decisions were enforced in Ukraine. None of the pre-treatment estimates are statistically significant, providing suggestive evidence of parallel

¹²In the Appendix, Figures A2–A21 present raw means and event study estimates for all additional outcomes. These figures provide suggestive evidence that the parallel trends assumption holds.

trends before March 2014. These results show that enforcement rates for the treated (Ukrainian/Russian) and control (non-Ukrainian/non-Russian) groups evolved similarly before the annexation.

Notably, after March 2014, the enforcement rate of non-Ukrainian (non-Russian) decisions in Russia (Ukraine) remained virtually unchanged from pre-annexation levels. This suggests that the observed decline in enforcement rates was specific to Ukrainian (Russian) decisions, rather than indicative of a broader decline in the enforcement of foreign decisions. Therefore, these changes appear to stem directly from geopolitical tensions between Russia and Ukraine rather than from a general trend in cross-border judicial interactions.

4 Results

In this section, we first analyse the impact of the Crimea annexation on enforcement rates in first-instance courts. Next, we investigate whether the negative effects observed at the first-instance level are reversed in appeal courts. We then assess heterogeneity by examining how the impact varies based on different characteristics of judges and courts. Finally, we examine how courts justify refusals to enforce foreign decisions and conduct a series of robustness checks.

4.1 Main Results: The Effect of the Crimea Annexation on First-instance Courts

The Effect of the Crimea Annexation on Russian Judges

The findings reveal a significant decline in the enforcement rate of Ukrainian decisions in Russia following the annexation of Crimea. Column (1) of Panel A

Table 1: The effect of the Crimea annexation on the enforcement rate of foreign decisions in Russia and Ukraine

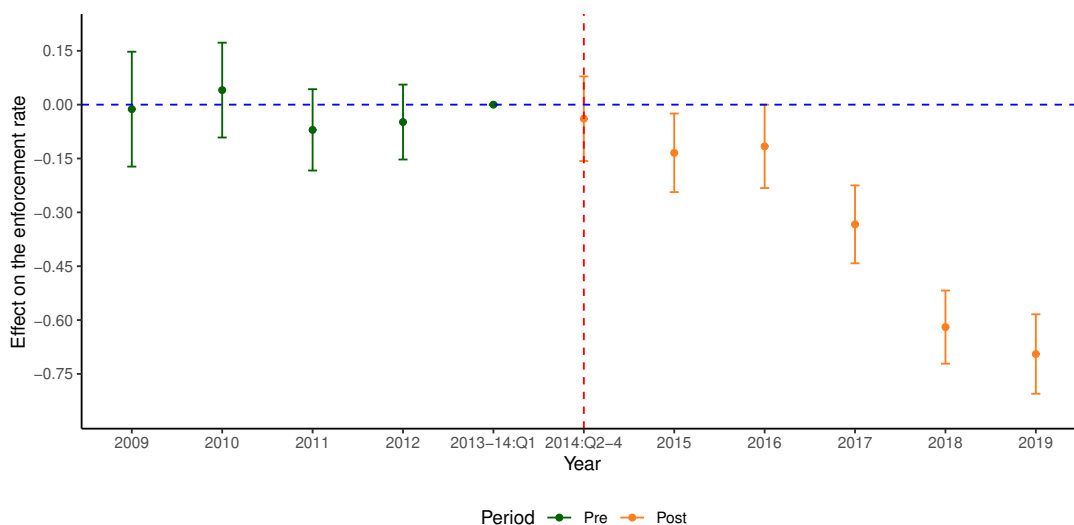
| | (1) | (2) | (3) | (4) | (5) |
|---------------------------------|-------------------|-------------------|--------------------------------|-------------------------|--------------------|
| | Decision enforced | Decision appealed | Decision enforced after appeal | Public policy exception | Undue notification |
| Panel A: Russia | | | | | |
| Ukraine after March 2014 | -0.256*** | 0.121** | -0.261*** | 0.148*** | 0.107*** |
| | (0.068) | (0.050) | (0.059) | (0.045) | (0.037) |
| Sharpened q -value | [0.001] | [0.009] | [0.001] | [0.002] | [0.004] |
| Pre-March 2014 mean for Ukraine | 0.98 | 0.09 | 0.98 | 0.00 | 0.01 |
| N | 1,565 | 1,565 | 1,565 | 1,565 | 1,565 |
| Panel B: Ukraine | | | | | |
| Russia after March 2014 | -0.285*** | 0.125* | -0.336*** | 0.095*** | 0.217*** |
| | (0.061) | (0.073) | (0.064) | (0.027) | (0.049) |
| Sharpened q -value | [0.001] | [0.038] | [0.001] | [0.001] | [0.001] |
| Pre-March 2014 mean for Russia | 0.86 | 0.06 | 0.84 | 0.00 | 0.03 |
| N | 469 | 469 | 469 | 469 | 469 |

Notes: The dependent variable equals 1 if: (1) the decision was enforced, (2) the decision was appealed, (3) the decision was enforced after appeal, (4) public policy exception was invoked to deny enforcement and (5) undue notification was invoked to deny enforcement. All regressions include country and year fixed effects. Sharpened q -values are adjusted False Discovery Rate p -values, calculated using the method proposed by [Anderson \(2008\)](#), to account for multiple hypothesis testing. Standard errors, which are clustered by the intersection of country and year, are reported in parentheses. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

of Table 1 shows that the annexation led to a 25.6 percentage point drop in the enforcement rate of Ukrainian decisions in Russia, representing a 26.0% decrease from the pre-annexation enforcement rate of 98%. Figure 3 shows an initial decline of 12–13 percentage points in 2015–2016, followed by a steeper drop of 33–70 percentage points in 2017–2019, indicating a strong and persistent impact of the annexation on Russian judicial decision-making.

To explore this further, we categorize decisions into two types based on the dispute resolution mechanism: judgments and arbitral awards. Judgments arise from *state* court litigation, where the involvement of a foreign state may carry particular weight during conflict. In contrast, arbitral awards are the result of *private* dispute resolution, free from state court involvement. Given these dif-

Figure 3: Event study estimates of the effect of the Crimea annexation on the enforcement rate of Ukrainian decisions in Russia



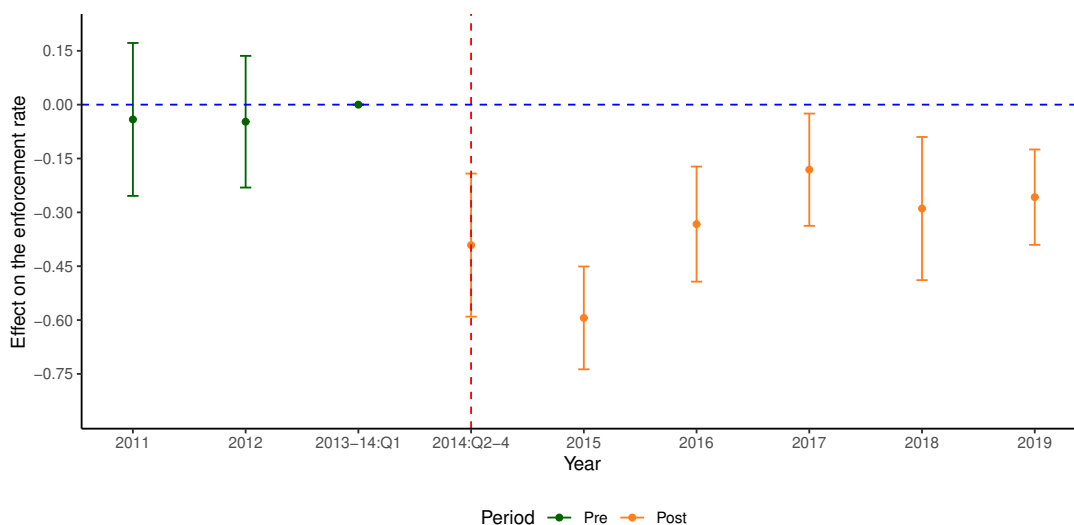
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.38. The red dashed line shows the moment of the Crimea annexation in March 2014.

ferences, domestic judges in both the attacking and defending countries may respond differently to each mechanism (Herberg-Rothe, 2007). However, as shown in Panel A of Table A3, the annexation led to a decline in the enforcement of both types of Ukrainian decisions in Russia.

The Effect of the Crimea Annexation on Ukrainian Judges

The results indicate that the annexation of Crimea led to a similar decline in the enforcement rate of Russian decisions in Ukraine. Column (1) of Panel B of Table 1 shows that, after the annexation, the enforcement rate of Russian decisions in Ukraine dropped by 28.5 percentage points, equivalent to a 33.2% decrease from the pre-annexation mean of 86%. Figure 4 presents event study estimates, showing an immediate drop of 33–59 percentage points in 2015–2016,

Figure 4: Event study estimates of the effect of the Crimea annexation on the enforcement rate of Russian decisions in Ukraine



Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.85. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

followed by a smaller but still significant decline of 18–29 percentage points in 2017–2019. There is no statistically significant difference between judgments and arbitral awards (see Panel A of Table A3).

Differential Judicial Responses in Russia and Ukraine in the Short- and Long-Term

At first sight, an obvious explanation for the contrasting short- and long-term patterns between Russia and Ukraine might be the logic of reciprocity. In the short term, Ukrainian judges reacted swiftly and sharply, cutting back enforcement of Russian judgments. Russian judges, by contrast, initially appeared more restrained, but after a time lag they reduced enforcement of Ukrainian decisions

as well. This sequence might suggest a tit-for-tat dynamic: Ukraine reacted first, and Russia eventually mirrored its behaviour. Yet the longer trajectory does not fully support this interpretation. When Ukraine later softened its stance, Russia did not reciprocate. On the contrary, Russian enforcement of Ukrainian judgments fell even further. This asymmetric pattern casts doubt on reciprocity as the main explanation for judicial behaviour.

A more plausible interpretation is that courts responded to the conflict in ways aligned with the political context in each country. In Ukraine, the annexation of Crimea represented an immediate threat to sovereignty and territorial integrity. This may have created pressure on judges to shield domestic debtors from legal claims originating in Russia, especially in the short term. Such pressure could also have coexisted with a broader change in attitudes toward the attacking state. Survey evidence shows a sharp decline in positive attitudes toward Russia among Ukrainian citizens after 2014, and the similarity between this attitudinal shift and the enforcement pattern in Ukraine is consistent with the possibility that changes in judicial preferences/emotions also played a role.

The Russian pattern is less consistent with a simple preference-based explanation. Positive attitudes toward Ukraine also declined sharply in Russia after 2014, but Russian enforcement of Ukrainian decisions did not fall immediately in the same way. This suggests that, in Russia, the later decline may be better understood as gradual alignment of judicial decision-making with state priorities rather than an immediate emotional response to the conflict. As political rhetoric hardened, legal decision-making may have become increasingly adversarial toward Ukrainian claims ([Rumer and Weiss, 2021](#)). What began as a moderate decline in enforcement evolved into a more systematic reduction, possibly reflecting the

politicization of judicial behaviour.

Viewed through the lens of defender versus aggressor, these patterns become more coherent. For Ukraine, the annexation of Crimea posed an acute and direct threat to national survival, prompting judges to respond with immediacy and severity. For Russia, the annexation was framed domestically as a triumph, a restoration of historical justice rather than a security crisis (President, 2014). Without the urgency of a defensive struggle, Russian judges responded more gradually, and over time their decisions increasingly reflected the state's consolidation of an adversarial stance.

These interpretations remain suggestive. The evidence allows us to document when and through which legal grounds enforcement declined, but it does not allow us to separately identify the behavioural motivations of judges. We therefore interpret these patterns as plausible explanations rather than direct evidence of specific mechanisms.

4.2 Higher Court, Higher Standards? Conflict Effects on Appellate Courts

It is commonly accepted that the first-instance courts may make mistakes due to numerous reasons, such as time-constraints, high caseload, less qualified judges and clerks, etc. To resolve this problem, justice systems have appellate (second-instance) courts which have fewer cases to adjudicate and more experienced judges. Hence, if the first-instance courts became more biased towards Russia/Ukraine due to the Crimea annexation, then the appellate courts are expected to be more professional and reverse wrong decisions from the first-instance courts. To test this, we studied the appeal phase of the enforcement procedure.

The findings indicate a significant increase in appeals for decisions originating after March 2014, with an increase of 12.1 percentage points in Russia and 12.5 percentage points in Ukraine, as shown in column (2) of Table 1. Despite this increase in appeals, the appellate courts appear to maintain the initial decisions of the first-instance courts, as evidenced by the outcomes in column (3) of Table 1. Even after appellate review, Russian judges enforce Ukrainian decisions 26.1 percentage points (26.7%) less often, while Ukrainian judges enforce Russian decisions 33.6 percentage points (39.9%) less. This suggests that the assumption about the correcting role of the appellate courts does not hold, at least during conflicts.

4.3 Heterogeneity Analysis

We now turn to the heterogeneity of the impact of the Crimea annexation.¹³ First, we analyse whether the impact of the annexation differs by the sex of a judge, providing insights into whether conflict affects male and female judges differently. Next, we examine whether the effect varies based on a judge's ethnicity. The rationale here is that belonging to the dominant ethnic group of the opposing country could potentially reduce the bias caused by the annexation. We then consider the geographical aspect, investigating if proximity to the border influences the effect on judges, as living near the conflict might shape their perception and alter the conflict effect. Lastly, we assess whether the effect varies between courts in the capital and those elsewhere, exploring whether being close to political power influences how judges react to the conflict.

¹³Note that cases are randomly assigned to judges, ensuring that any observed differences in judicial responses are not driven by case selection.

Sex of a Judge. Panel B of Table A3 examines whether male and female judges respond to the annexation differently. Research on gender differences in attitudes towards conflicts suggests that women are generally less supportive of violence than men (Huddy et al., 2005; Gould and Klor, 2010). These attitudes, which are central to security perception, could influence their judicial decisions during conflict. For example, female judges might focus more on minimizing harm and ensuring stability. However, the results show no significant gender differences in the impact of the conflict. This finding supports the claim by Stevens et al. (2021) that the gender gap in security perception may be overstated, at least among judges, based on our results.

Ethnicity of a Judge. Research on in-group bias suggests that individuals may treat those sharing their social identity more favourably (Shayo and Zussman, 2011; Ash et al., 2024). Panel C of Table A3 examines whether the effect differs by the inferred ethnicity of the judge, which we proxy using surname endings, a common approach in settings where direct ethnicity information is unavailable (Pina-Sánchez et al., 2019; Rosenman et al., 2023). In Russia, judges with Ukrainian-sounding surnames do not exhibit a statistically detectable decline in enforcement of Ukrainian decisions, whereas judges with non-Ukrainian-sounding surnames do. In Ukrainian courts, judges with Russian-sounding surnames display a decline similar to that of judges with non-Russian-sounding surnames.

This pattern is consistent with the possibility that shared identity mattered differently in the attacking and defending countries. In Russia, judges with Ukrainian-sounding surnames may have been less willing to reduce enforcement against Ukrainian parties. In Ukraine, by contrast, shared identity with Russia may have become less salient after the annexation, or judges with Russian-

sounding surnames may have faced stronger incentives to signal loyalty to the Ukrainian state. Because surname endings are an imperfect proxy for ethnicity, we interpret this heterogeneity as suggestive rather than as direct evidence of judge identity or ethnic preferences.¹⁴

Proximity to the Border. Panel D of Table A3 examines whether the effect of the annexation varies based on judges’ proximity to the border. According to Tobler’s first law of geography, *“everything is related to everything else, but near things are more related than distant things”* (Tobler, 1970). Hence, the initial assumption is that judges closer to the conflict are more affected due to their proximity. Contrary to this expectation, the results show no significant differences: judges in both border and non-border regions show similar levels of bias in Russia and Ukraine.

Court Location in the Capital. Spatial proximity to power often increases political influence, meaning judges in capitals may face stronger political pressures than those in other regions (Ades and Glaeser, 1995). Panel E of Table A3 reveals a significant difference in the enforcement of Ukrainian decisions by Russian judges based on court location. The negative effect is primarily driven by judges in the capital. In Ukraine, however, no such difference is observed between judges in the capital and those in other regions. This disparity likely reflects the

¹⁴Surname endings are an imperfect proxy for ethnicity. In Russia, the comparison is between judges whom we classify as having Ukrainian-sounding surnames and all other judges, and we find significant differences between the two groups. If some judges are assigned to the wrong group, the two groups become less distinct: the “Ukrainian-sounding” group may include judges who do not identify as Ukrainian, while the comparison group may include judges who do. This makes it harder, not easier, to find a difference between the groups. In Ukraine, we do not find a clear difference between judges with Russian- and non-Russian-sounding surnames. Here, the same measurement problem could hide a true difference by mixing judges across groups. Thus, the Ukrainian result should be interpreted as no detectable heterogeneity using this proxy, rather than as evidence that judge ethnicity is irrelevant.

contrasting political regimes, with the capital exerting greater influence in Russia than in Ukraine.

4.4 Reasons for Non-Enforcement

In this section, we identify two key tools used for rejection: the public policy exception and undue notification.

The Role of Discretionary Powers in a Politically Biased Judiciary.

Examining the reasons employed by Russian and Ukrainian courts to deny the enforcement of foreign decisions provides insights into the role of the discretionary power of potentially biased judiciaries (Popova, 2012). For instance, suppose a Ukrainian manufacturer wins a lawsuit against a Russian retailer in Ukraine for unpaid invoices. When the manufacturer seeks enforcement in Russia, the court refuses recognition under the public policy exception, citing alleged corruption in the underlying contract, despite no such claims being raised or substantiated during litigation.

This public policy exception serves a dual function. Legally, it provides a formal justification for non-enforcement. Yet under international treaties, this exception is intended to be applied only in highly exceptional circumstances and used restrictively. Politically, it acts as a signal, reinforcing a broader narrative that casts rivalry's legal system as unreliable. By selectively invoking the public policy exception, courts align legal reasoning with state interests. This practice shows how courts can use legal discretion to achieve political objectives.

After March 2014, judges in both Russia and Ukraine increasingly invoked the public policy exception to deny enforcement of each other's decisions, with

Russian courts showing a 14.8 percentage point increase and Ukrainian courts a 9.5 percentage point increase (see column (4) of Table 1). This illustrates how wartime conditions can transform an exceptional legal safeguard into the norm.

For decades, legal scholars have criticized the public policy exception for its broad scope and lack of predictability (Tapola, 2006; Fei, 2010; Ghodoosi, 2016).¹⁵ Our findings support these concerns, demonstrating that, particularly in times of conflict, states may exploit judicial discretion to serve broader political objectives. The increased reliance on the public policy exception suggests that court rulings, even in politically neutral commercial disputes, do not operate in isolation from geopolitical tensions. Instead, they become an extension of international conflict, where legal reasoning can be strategically deployed to justify selective enforcement.

International Postal Disruptions. In addition to invoking the public policy exception, courts have increasingly cited undue notification as a basis for refusing enforcement. Since March 2014, the use of this legal ground by Russian judges has risen by 10.7 percentage points, while Ukrainian judges have applied it 21.7 percentage points more frequently (see column (5) of Table 1).

Without data on international postal services,¹⁶ it is impossible to test whether defendants were genuinely not informed or whether courts strategically employed this argument to justify non-enforcement. However, it is reasonable to assume that the conflict in Eastern Ukraine may have disrupted cross-border

¹⁵Here are some examples illustrating the vague scope of the public policy exception: “*In Germany, public policy is ‘good customs and the purposes of German law’. In the USA, it is ‘the most basic understanding by courts of morals and justice’. In Canada, public policy refers to dire incompatibility [...] with the basic principles of public morals*” (Tapola, 2006).

¹⁶We contacted possible custodians of postal data (Universal Postal Union, Ukrposhta, and Russian Post) to request for bilateral postal services data, but they either ignored our requests or refused to share data.

communication, including mail delivery, which have created real difficulties in notifying parties properly.

4.5 Robustness

In our setting, changes in the composition of underlying disputes are not directly relevant in the same way as in studies of the original litigation stage, because enforcement courts do not reconsider the merits of the dispute and instead verify the formal requirements for recognition and enforcement. Nevertheless, we provide a direct check for selection into the enforcement stage.

We address the concern that the annexation may have changed the composition of cases entering the courts. For Russia, where registration dates are available, column (7) of Table [A4](#) restricts the sample to cases registered before March 2014 and then compares decisions issued before and after the annexation. The estimate remains negative, although less precise because the sample is substantially smaller; this check is not available for Ukraine because registration dates are unavailable. A detailed discussion and full results are reported in Appendix [C](#).

Our results are also robust across alternative model specifications, inference procedures, treatment timing, and sample and control-group definitions. Appendix [C](#) shows that the estimates remain robust after adding covariates and their interactions with year fixed effects, using alternative clustering, estimating a logit model, and redefining treatment using registration dates, excluding decisions from Crimea and Sevastopol, using a balanced panel, employing CIS-only and non-CIS controls, excluding control countries with few decisions, implementing a permutation placebo test, and conducting leave-one-country-out analyses.

5 Conclusion

This study provides the first evidence of the impact of international conflict on cross-border commercial dispute resolution, showing that annexation of Crimea in 2014 led to a substantial decline in the enforcement of Ukrainian decisions in Russia and, reciprocally, Russian decisions in Ukraine. Specifically, enforcement rates dropped by 25–30% in both countries following the annexation, despite the obligation of judges to remain independent and impartial in applying the law.

Russian and Ukrainian judges increasingly used their discretion to dismiss each other's decisions. While judicial discretion is an essential tool for ensuring flexibility in the application of the law and avoiding societal overregulation, it becomes a significant risk in countries with biased judiciaries. In such contexts, discretion can be misused to mask judicial biases, further enlarging inequalities and diminishing trust in the judiciary and international trade.

The findings underscore the detrimental impact of conflicts on judicial integrity and the broader implications for society. Judicial bias, exacerbated by conflicts, erodes trust in judges' professional qualities and undermines the protection of private property rights. This failure is particularly troubling given the critical role of appellate courts, which are expected to provide a higher standard of justice. Instead, these courts fail to correct errors of lower courts which makes international conflict-related pressure even more detrimental.

This paper shows that the 2014 Russia-Ukraine conflict significantly affected judicial decision-making. The 2022 invasion of Ukraine by Russia likely had an even greater impact, disrupting many aspects of life, including the judiciary. Following the invasion, Ukraine withdrew from regional international treaties that regulated the enforcement of foreign decisions. These treaties were designed

to reduce judicial bias and limit politically motivated rulings. Without these safeguards, bias in judicial decisions has likely worsened. While Russia remained a party to these treaties, its increasingly hostile political rhetoric towards Ukraine likely exacerbated biases among Russian judges as well.

The degradation of the judiciary is a part of a broader societal decline caused by conflicts, which not only devastate lives, cities, and the environment but also undermine institutional integrity. Although the judiciary is intended to be a pillar of societal resilience, tasked with upholding the rule of law even in times of crisis, this paper highlights its vulnerability to the corrosive effects of international conflict. The judiciary's failure to protect legal rights during such periods underscores the need for actions to safeguard judicial integrity.

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Appendix

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A Tables

Table A1: The effect of the Crimea annexation on the number of foreign decisions in Russia and Ukraine

| | (1) | (2) | (3) | (4) |
|--|-------------------|-------------------|-------------------|-------------------|
| Number of decisions | | Russia | | Ukraine |
| Ukraine/Russia after March 2014 | -0.323 (0.252) | -0.282 (0.280) | -0.395 (0.244) | -0.216 (0.263) |
| CIS after March 2014 | | 0.067 (0.224) | | 0.405 (0.343) |
| Offshores after March 2014 | | -0.192 (0.671) | | -1.943 (1.521) |
| Pre-March 2014 mean for Ukraine/Russia | 37.8 | 37.8 | 21.3 | 21.3 |
| N | 572 | 572 | 270 | 270 |

Notes: The dependent variable is the number of decisions from country i in year t . We apply Poisson regression as recommended by [Chen and Roth \(2024\)](#), who caution against commonly used log-like transformations such as $\log(N + 1)$. CIS (Commonwealth of Independent States) includes Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, and Uzbekistan. We use the definition of the offshore countries as defined in [Korovkin and Makarin \(2023\)](#), which include Bahamas, Belize, British Virgin Islands, Cayman Islands, Cyprus, Gibraltar, Luxembourg, Panama, and Seychelles. All regressions include country and year fixed effects. Standard errors, which are clustered by the intersection of country and year, are reported in parentheses. In Table D1, [Korovkin and Makarin \(2023\)](#) find that the number of Ukrainian decisions in Russia increased after March 2014. However, their dataset for 2011-2018, sourced from SPARK-Interfax, an intermediary distributing the data, covers around 900 decisions. Our data come directly from Pravo Tech, the primary owner of the data, and include the full universe of 1,256 decisions for 2011-2018 (1,565 for 2009–2019). * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table A2: Composition and enforcement rates of control-country decisions

| Country/group | Total N | Pre enforced |
|------------------------------|---------|--------------|
| Russian courts | | |
| Kazakhstan | 373 | 0.87 |
| Belarus | 246 | 0.96 |
| Uzbekistan | 73 | 0.85 |
| United Kingdom | 58 | 0.52 |
| Kyrgyzstan | 34 | 1.00 |
| Other CIS countries | 80 | 0.81 |
| Other EU/EEA/UK/CH countries | 202 | 0.80 |
| Other countries | 51 | 0.50 |
| Total | 1,117 | 0.84 |
| Ukrainian courts | | |
| Belarus | 142 | 0.76 |
| United Kingdom | 29 | 0.81 |
| Poland | 21 | 0.83 |
| Moldova | 19 | 0.89 |
| Sweden | 13 | 0.83 |
| Other CIS countries | 11 | 0.80 |
| Other EU/EEA/UK/CH countries | 67 | 0.91 |
| Other countries | 13 | 1.00 |
| Total | 315 | 0.83 |

Notes: Top countries are selected by the total number of decisions over the full sample period, separately for Russian and Ukrainian courts.

Table A3: Heterogeneous effects of the Crimea annexation on the enforcement rate of foreign decisions in Russia and Ukraine

| Panel A: Mechanism of dispute resolution | Russia | Ukraine |
|---|----------------------|----------------------|
| Ukraine/Russia after March 2014 | -0.200*** (0.064) | -0.379*** (0.072) |
| Sharpened q -value | [0.003] | [0.001] |
| x 1 [Arbitral award = 1] | -0.084 (0.084) | 0.206 (0.126) |
| Sharpened q -value | [0.125] | [0.043] |
| N | 1,565 | 469 |
| Panel B: Sex of a judge | Russia | Ukraine |
| Ukraine/Russia after March 2014 | -0.291*** (0.073) | -0.288*** (0.094) |
| Sharpened q -value | [0.001] | [0.003] |
| x 1 [Female = 1] | 0.097 (0.066) | 0.009 (0.148) |
| Sharpened q -value | [0.056] | [0.235] |
| N | 1,565 | 469 |
| Panel C: Ethnicity of a judge | Russia | Ukraine |
| Ukraine/Russia after March 2014 | -0.282*** (0.075) | -0.331*** (0.068) |
| Sharpened q -value | [0.001] | [0.001] |
| x 1 [Ethnic surname = 1] | 0.310*** (0.108) | 0.168 (0.169) |
| Sharpened q -value | [0.004] | [0.125] |
| N | 1,565 | 469 |
| Panel D: Location of a court near the border | Russia | Ukraine |
| Ukraine/Russia after March 2014 | -0.283*** (0.086) | -0.291*** (0.062) |
| Sharpened q -value | [0.002] | [0.001] |
| x 1 [Near the border = 1] | 0.048 (0.109) | 0.088 (0.111) |
| Sharpened q -value | [0.189] | [0.140] |
| N | 1,565 | 469 |
| Panel E: Location of a court in the capital | Russia | Ukraine |
| Ukraine/Russia after March 2014 | -0.126*** (0.046) | -0.299*** (0.076) |
| Sharpened q -value | [0.005] | [0.001] |
| x 1 [In the capital = 1] | -0.368*** (0.129) | 0.101 (0.107) |
| Sharpened q -value | [0.004] | [0.131] |
| N | 1,565 | 469 |

Notes: The dependent variable equals 1 if the decision was enforced. In Panel D, the bordering regions in Russia are Belgorod, Bryansk, Crimea (after March 2014), Krasnodar, Kursk, Rostov, and Voronezh regions. The bordering regions in Ukraine are Avtonomna Respublika Krym (until March 2014), Chernihivska, Donetska, Kharkivska, Khersonska, Luhanska, Mykolaiivska, Sumska, and Zaporizka oblasts. All regressions include country and year fixed effects, the relevant subgroup indicator, interactions between the subgroup indicator and the country and year fixed effects. Sharpened q -values are adjusted False Discovery Rate p -values, calculated using the method proposed by [Anderson \(2008\)](#), to account for multiple hypothesis testing. Standard errors, which are clustered by the intersection of country and year, are reported in parentheses. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table A4: Robustness checks of the effect of the Crimea annexation on the enforcement rate of foreign decisions in Russia and Ukraine

| | (1) Base | (2) Controls | (3) Flexible controls | (4) Alternative clustering | (5) Logit | (6) Registration date | (7) Registered before March 2014 |
|--------------------------|----------------------|----------------------|-----------------------------|----------------------------------|----------------------|-----------------------------|--|
| Panel A: Russia | | | | | | | |
| Ukraine after March 2014 | -0.256*** (0.068) | -0.254*** (0.062) | -0.260*** (0.070) | -0.256*** (0.060) | -0.481*** (0.152) | -0.236*** (0.077) | -0.173* (0.096) |
| N | 1,565 | 1,565 | 1,565 | 1,565 | 1,523 | 1,565 | 636 |
| Panel B: Ukraine | | | | | | | |
| Russia after March 2014 | -0.285*** (0.061) | -0.269*** (0.061) | -0.245*** (0.073) | -0.285*** (0.080) | -0.297*** (0.107) | – | – |
| N | 469 | 469 | 469 | 469 | 433 | – | – |

Notes: The dependent variable equals 1 if the decision was enforced. Column (2) includes controls for the sex and ethnicity of the judge and indicators for whether the court is located near the border or in the capital. Column (3) includes the controls from column (2) interacted with year fixed effects. Column (4) clusters standard errors by country and year instead of by the intersection of country and year. Column (5) estimates a logit model and reports average marginal effects. Column (6) defines the post-treatment period using the case registration date rather than the decision date. Column (7) restricts the Russian sample to cases registered before March 2014. Columns (6) and (7) contain no estimates for Ukrainian decisions because registration date information is unavailable. All regressions include country and year fixed effects. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Table A5: Robustness checks of the effect of the Crimea annexation on the enforcement rate of foreign decisions in Russia and Ukraine

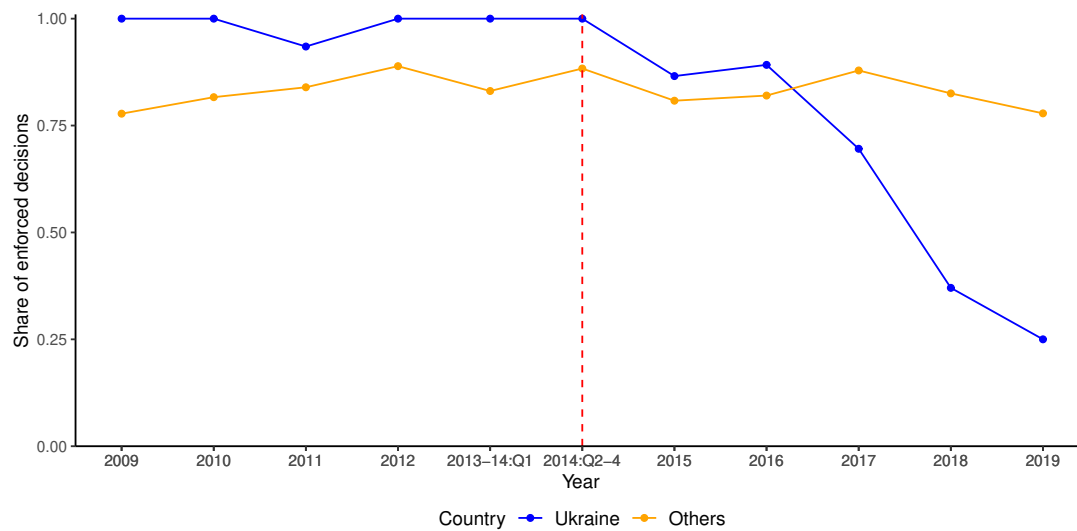
| | (1) Base | (2) Exclude Crimea | (3) Balanced panel | (4) CIS controls only | (5) Non-CIS controls only | (6) Exclude controls with $N \leq 20$ |
|--------------------------|----------------------|--------------------------|--------------------------|-----------------------------|---------------------------------|---|
| Panel A: Russia | | | | | | |
| Ukraine after March 2014 | -0.256*** (0.068) | -0.236*** (0.076) | -0.247*** (0.067) | -0.259*** (0.070) | -0.283*** (0.076) | -0.276*** (0.069) |
| N | 1,565 | 1,533 | 1,117 | 1,216 | 797 | 1,346 |
| Panel B: Ukraine | | | | | | |
| Russia after March 2014 | -0.285*** (0.061) | -0.264*** (0.063) | -0.407*** (0.048) | -0.356*** (0.066) | -0.202*** (0.071) | -0.407*** (0.048) |
| N | 469 | 462 | 346 | 324 | 299 | 346 |

Notes: The dependent variable equals 1 if the decision was enforced. Column (2) excludes decisions from courts in Crimea and Sevastopol. Column (3) restricts the sample to countries observed in all sample periods. Column (4) uses only CIS countries as controls, while column (5) uses only non-CIS countries as controls. Column (6) excludes control countries with 20 or fewer decisions over the full sample period. All regressions include country and year fixed effects. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

B Figures

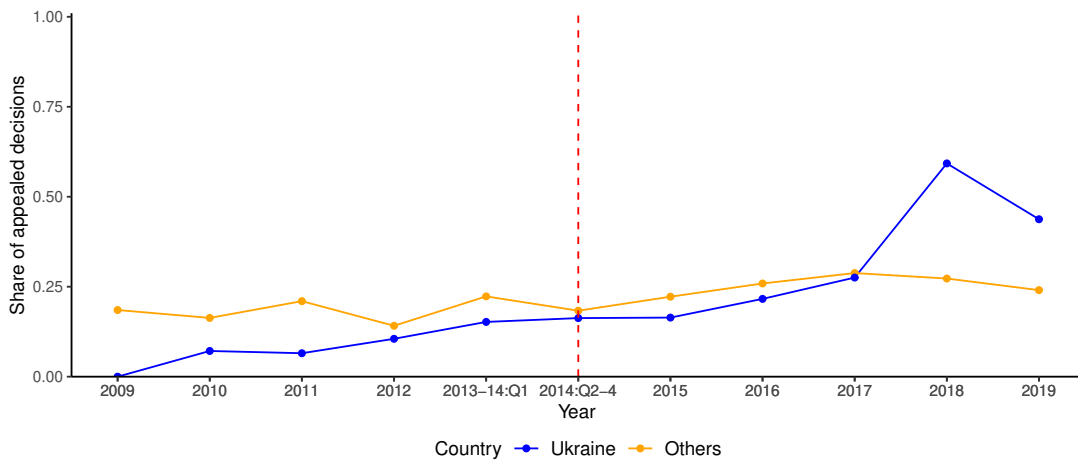
Russia

Figure A1: Average enforcement rates of Ukrainian and non-Ukrainian decisions in Russia



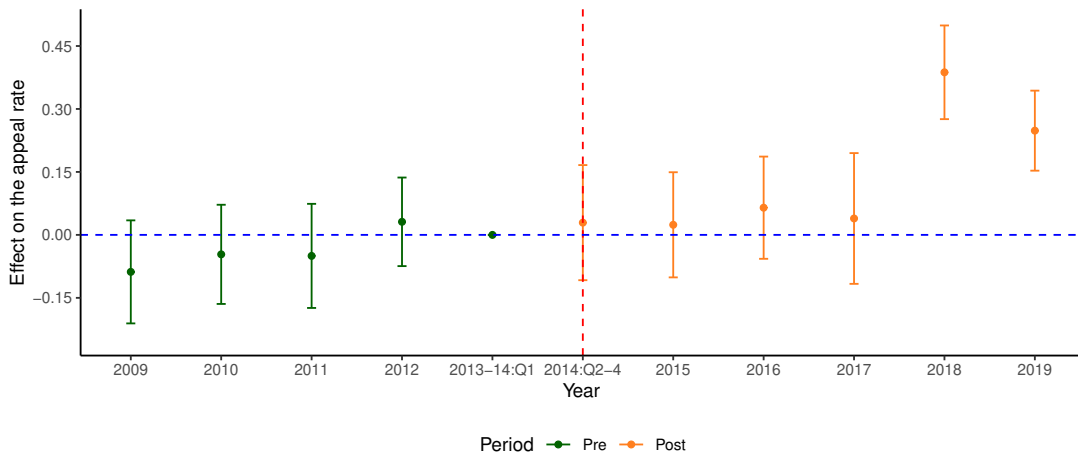
Notes: The figure plots the share of enforced decisions originating from Ukraine and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A2: Average appeal rates of Ukrainian and non-Ukrainian decisions in Russia



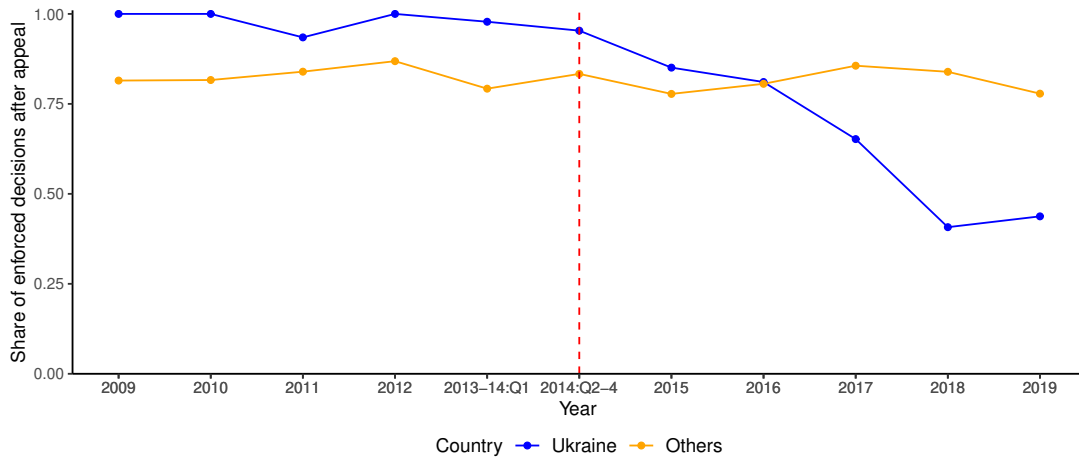
Notes: The figure plots the share of appealed decisions originating from Ukraine and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A3: Event study estimates of the effect of the Crimea annexation on the appeal rate of Ukrainian decisions in Russia



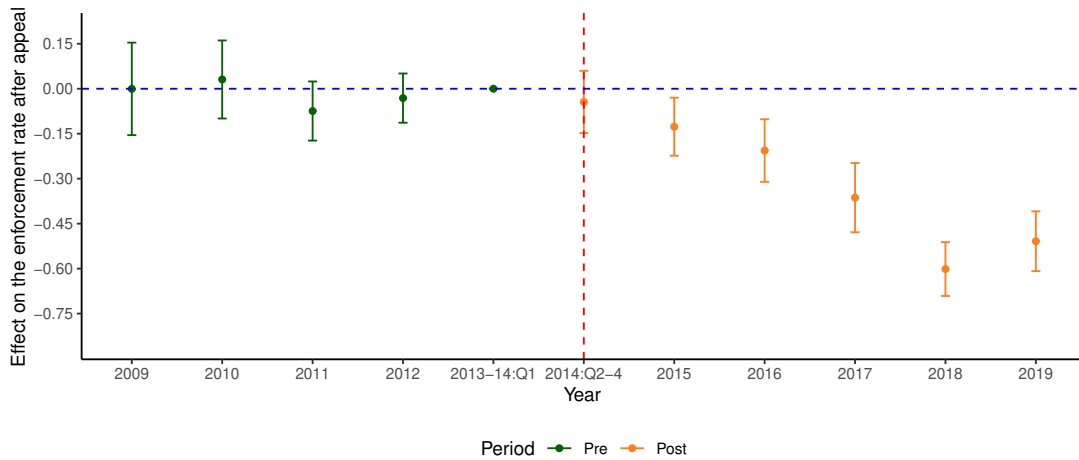
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.23. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A4: Average enforcement rates after appeal of Ukrainian and non-Ukrainian decisions in Russia



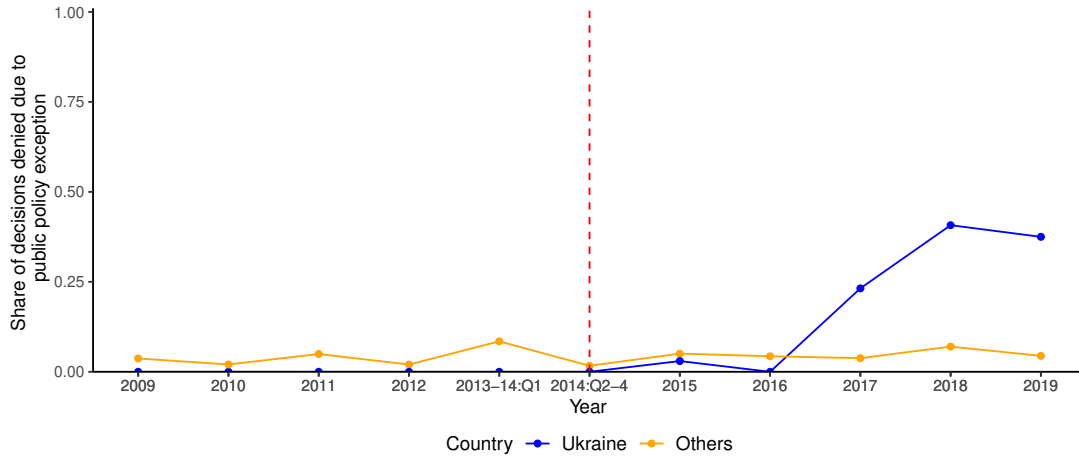
Notes: The figure plots the share of enforced decisions after appeal originating from Ukraine and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A5: Event study estimates of the effect of the Crimea annexation on the enforcement rate after appeal of Ukrainian decisions in Russia



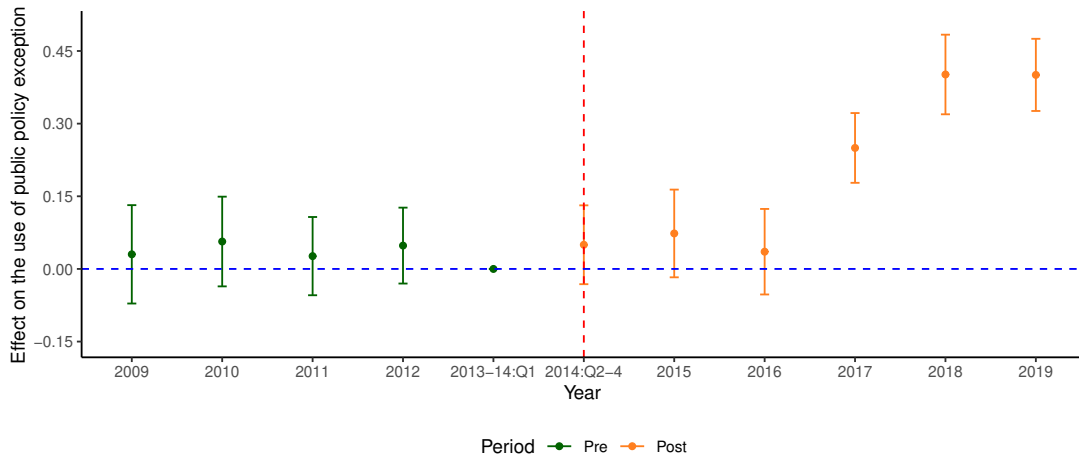
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.42. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A6: Average use of public policy exception in Ukrainian and non-Ukrainian decisions in Russia



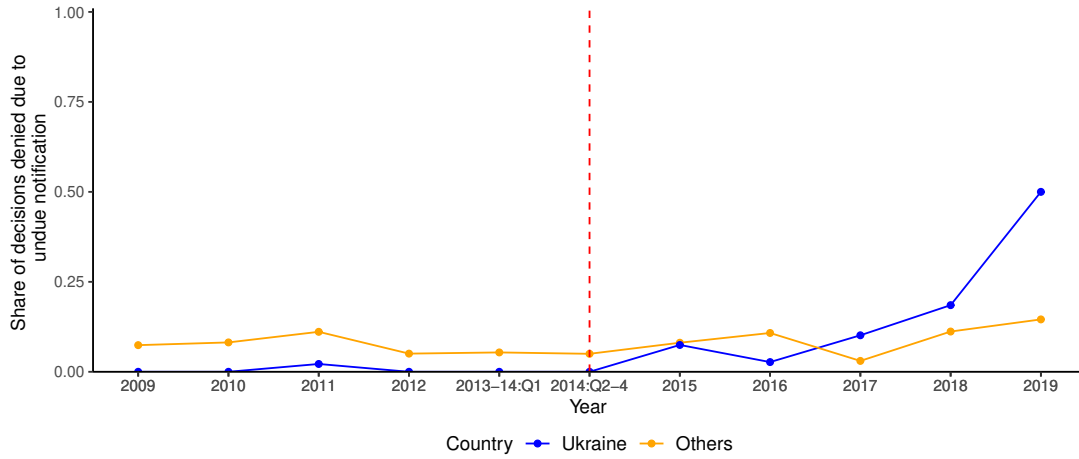
Notes: The figure plots the share of decisions denied due to public policy exception originating from Ukraine and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A7: Event study estimates of the effect of the Crimea annexation on the use of public policy exception in Ukrainian decisions in Russia



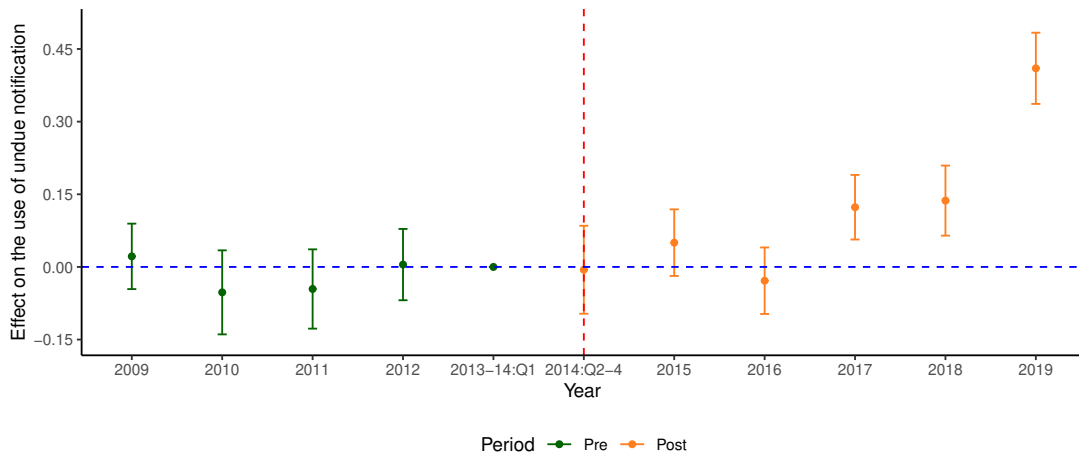
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.71. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A8: Average use of undue notification in Ukrainian and non-Ukrainian decisions in Russia



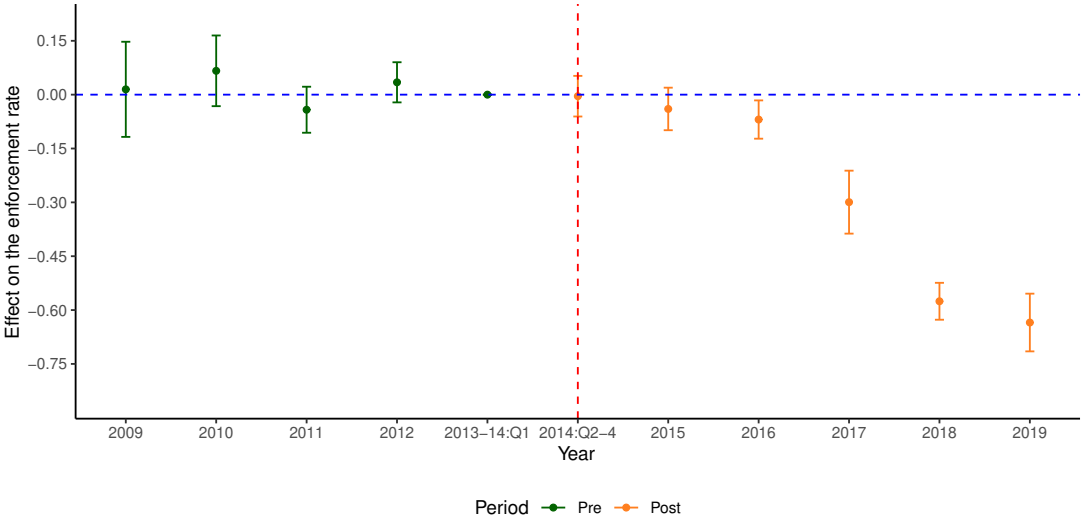
Notes: The figure plots the share of decisions denied due to undue notification originating from Ukraine and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A9: Event study estimates of the effect of the Crimea annexation on the use of undue notification in Ukrainian decisions in Russia



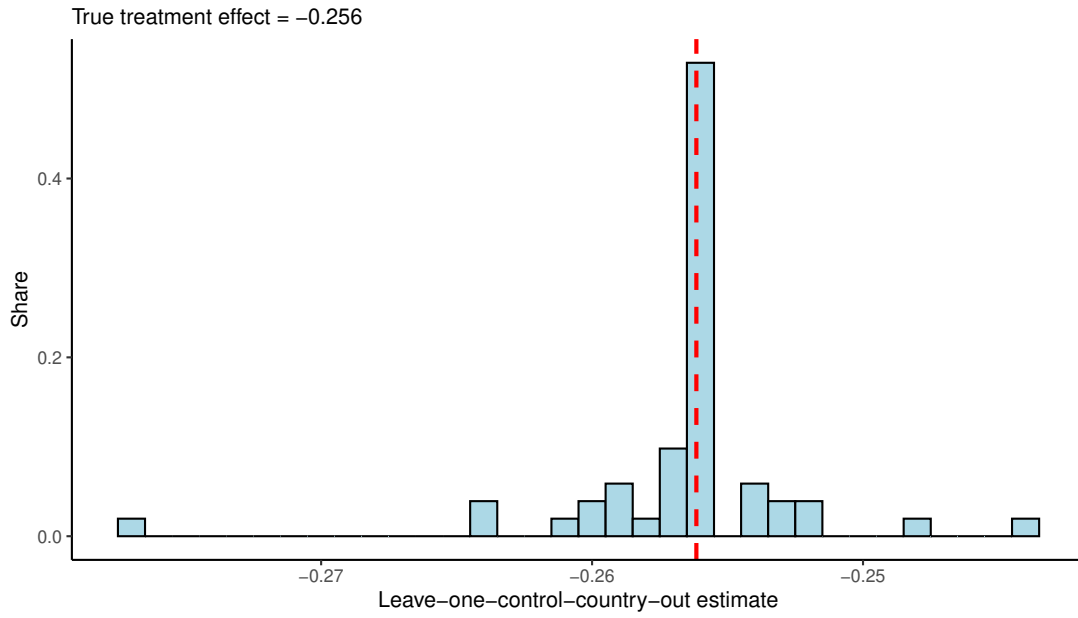
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.15. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A10: Event study estimates of the effect of the Crimea annexation on the enforcement rate of Ukrainian decisions in Russia using the balanced sample



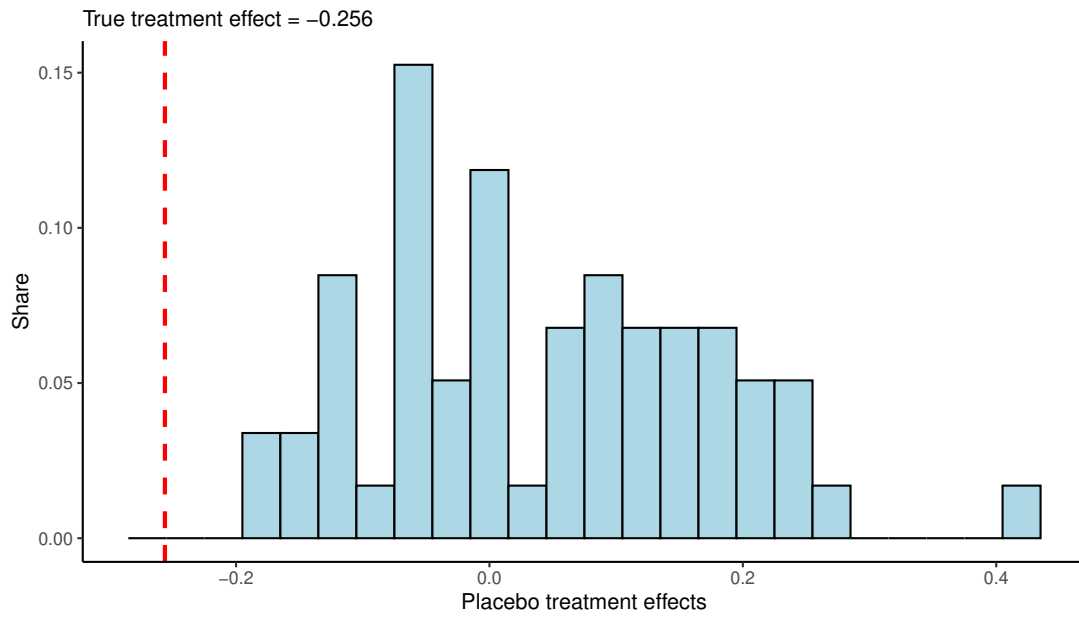
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.07. The red dashed line shows the moment of the Crimea annexation in March 2014.

Figure A11: Leave-one-country-out estimates for Russia



Notes: The figure reports estimates from the baseline specification obtained by excluding one control origin country at a time. The dashed vertical line indicates the estimate from the full sample.

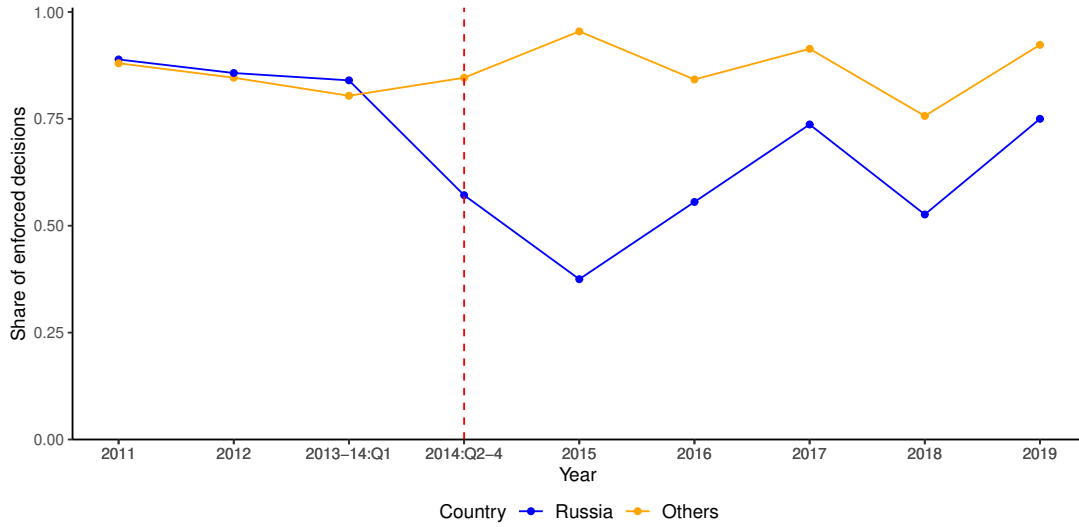
Figure A12: Fisher-style randomization inference for Russia



Notes: The figure presents the distribution of placebo estimates obtained by reassigning treatment status and re-estimating the baseline specification. The vertical line indicates the actual estimate.

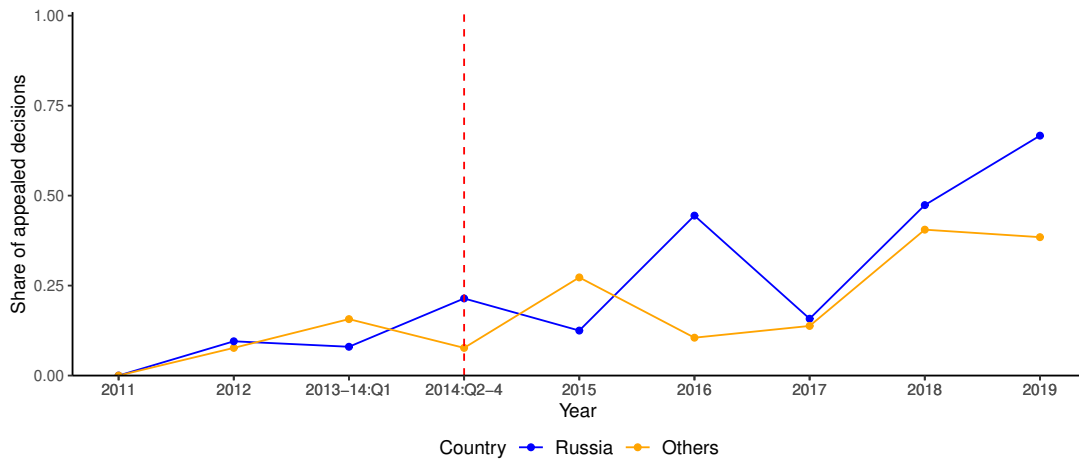
Ukraine

Figure A13: Average enforcement rates of Russian and non-Russian decisions in Ukraine



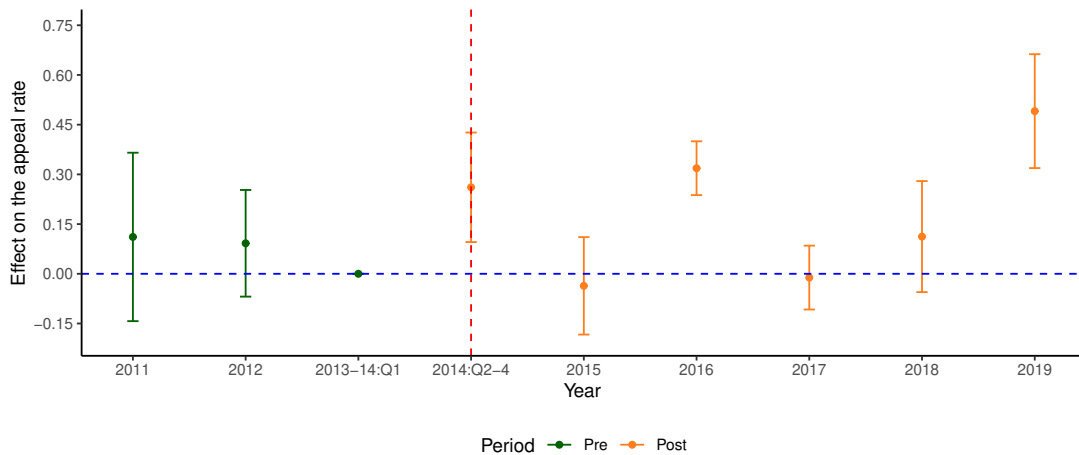
Notes: The figure plots the share of enforced decisions originating from Russia and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A14: Average appeal rates of Russian and non-Russian decisions in Ukraine



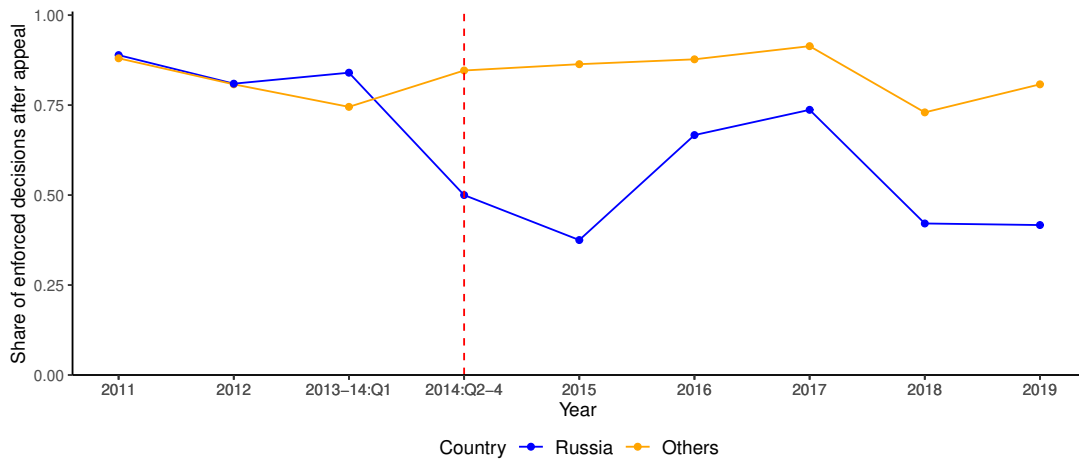
Notes: The figure plots the share of appealed decisions originating from Russia and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A15: Event study estimates of the effect of the Crimea annexation on the appeal rate of Russian decisions in Ukraine



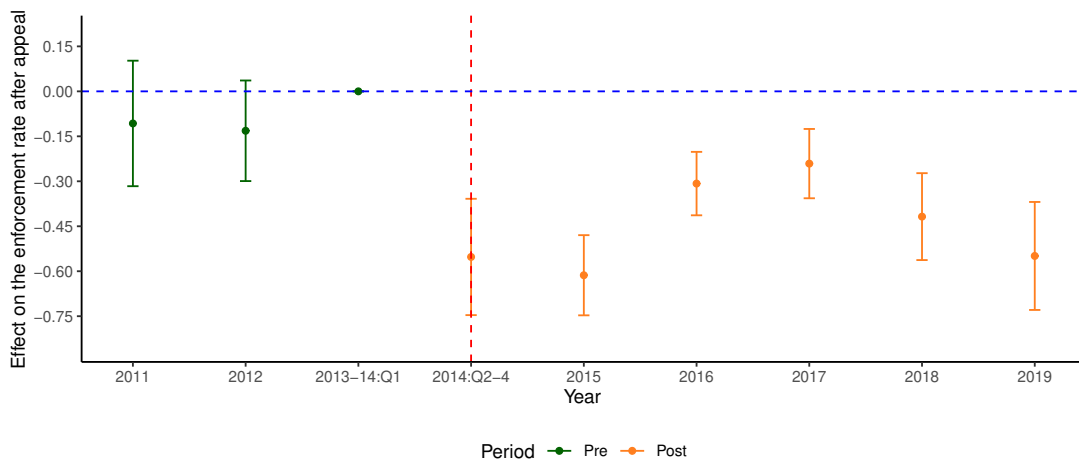
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.40. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A16: Average enforcement rates after appeal of Russian and non-Russian decisions in Ukraine



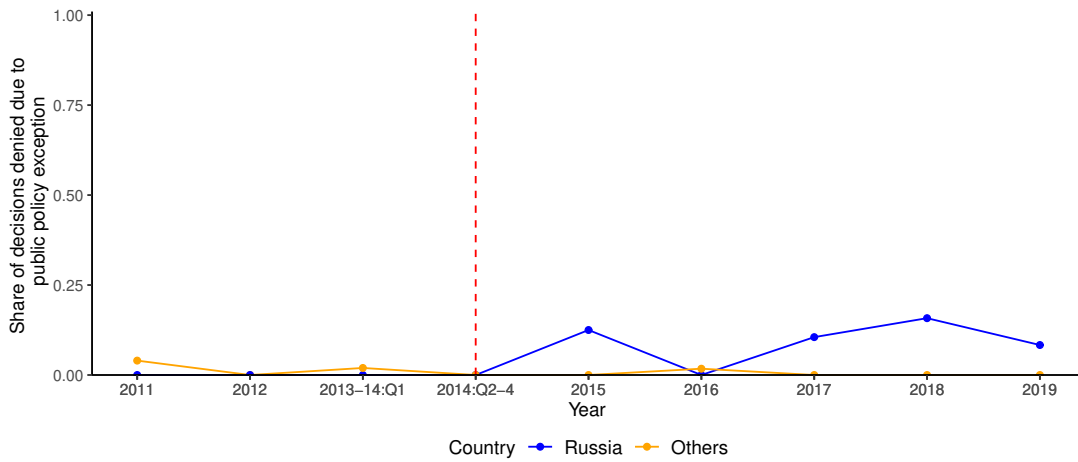
Notes: The figure plots the share of enforced decisions after appeal originating from Russia and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A17: Event study estimates of the effect of the Crimea annexation on the enforcement rate after appeal of Russian decisions in Ukraine



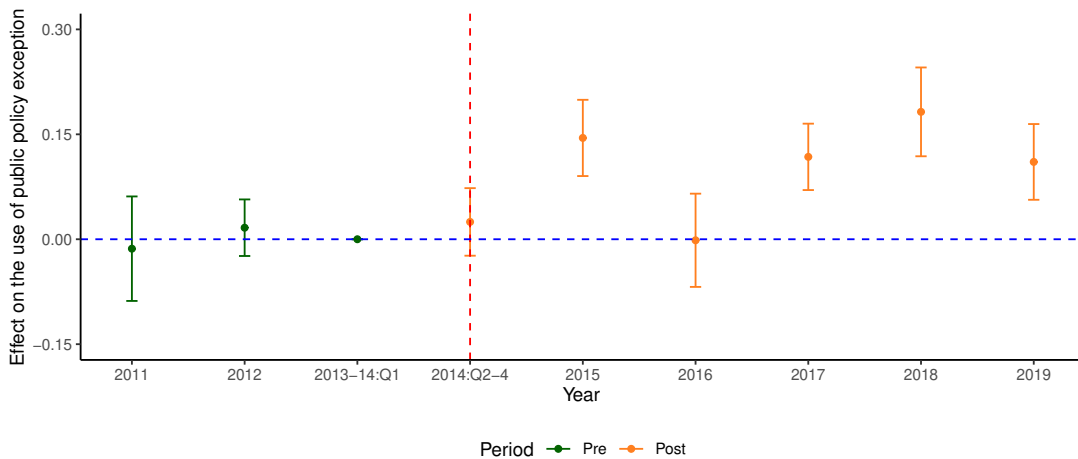
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.21. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A18: Average use of public policy exception in Russian and non-Russian decisions in Ukraine



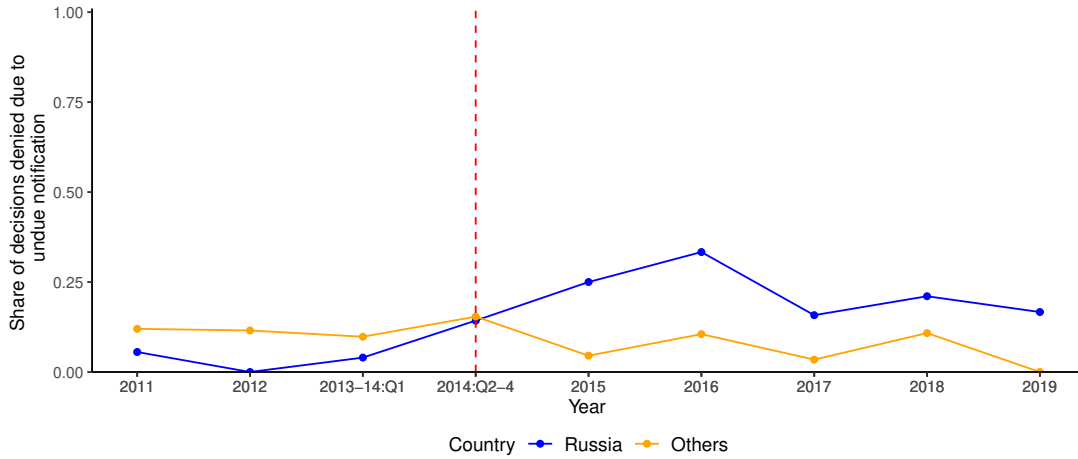
Notes: The figure plots the share of decisions denied due to public policy exception originating from Russia and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A19: Event study estimates of the effect of the Crimea annexation on the use of public policy exception in Russian decisions in Ukraine



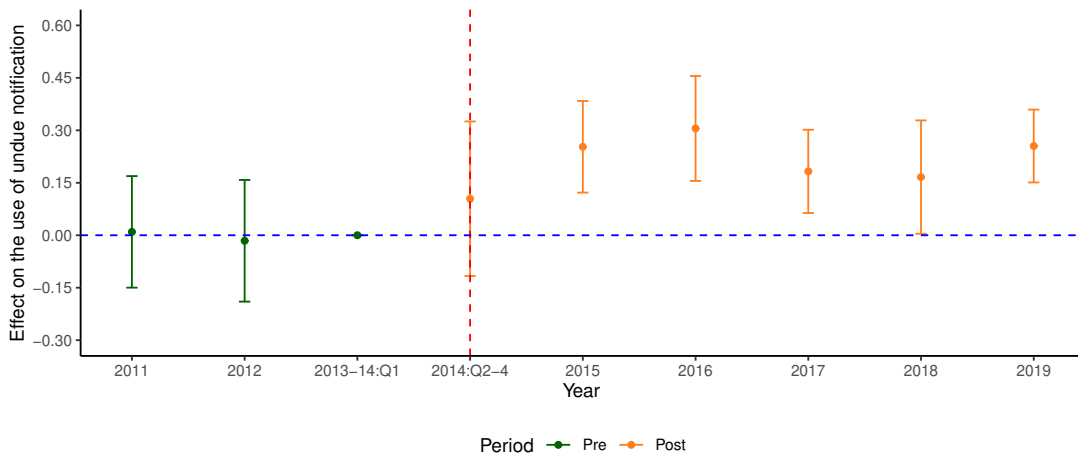
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.36. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A20: Average use of undue notification in Russian and non-Russian decisions in Ukraine



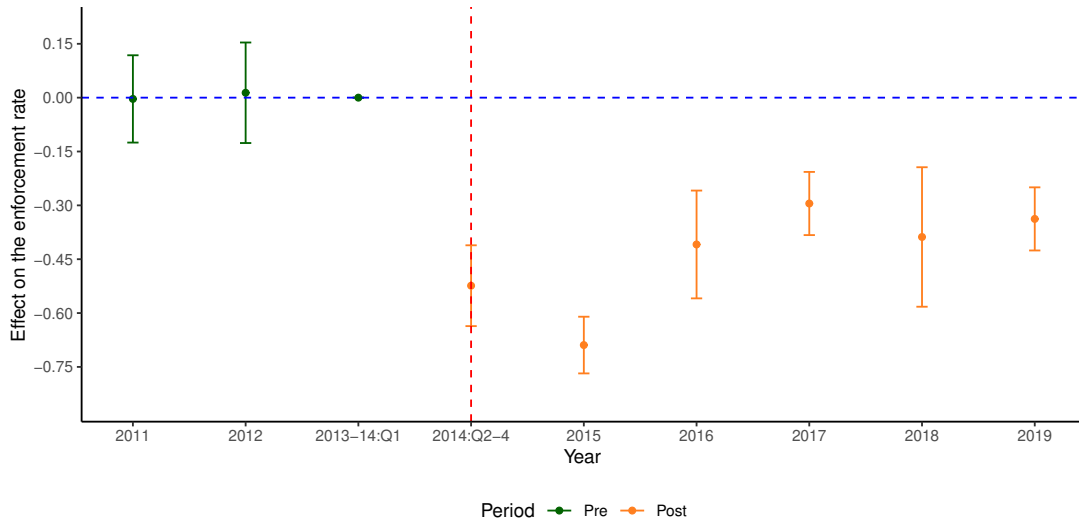
Notes: The figure plots the share of decisions denied due to undue notification originating from Russia and other countries. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A21: Event study estimates of the effect of the Crimea annexation on the use of undue notification in Russian decisions in Ukraine



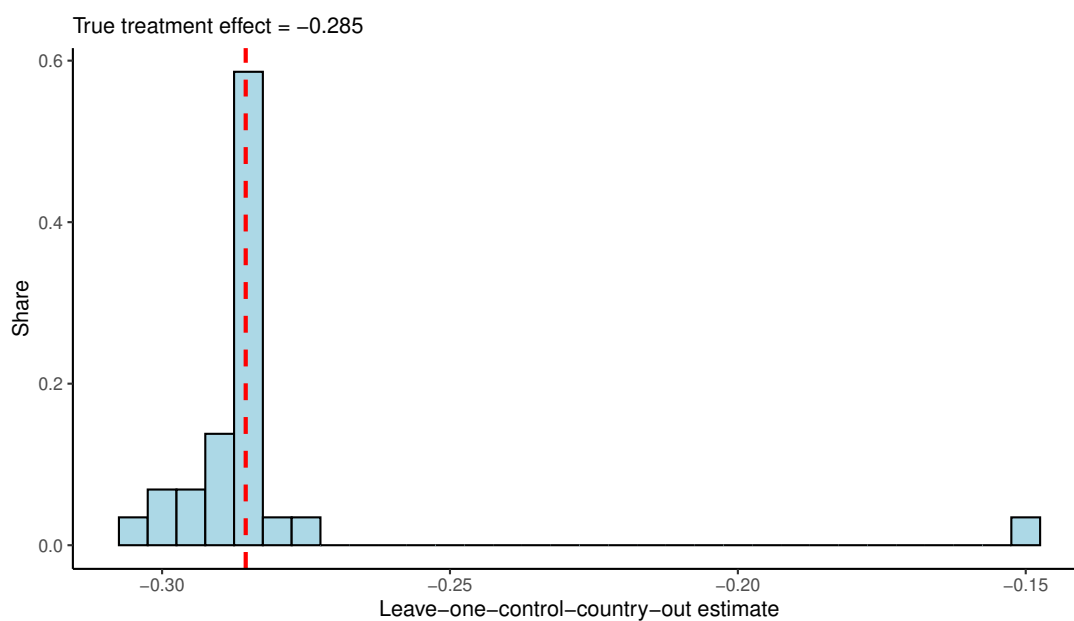
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.97. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A22: Event study estimates of the effect of the Crimea annexation on the enforcement rate of Russian decisions in Ukraine using the balanced sample



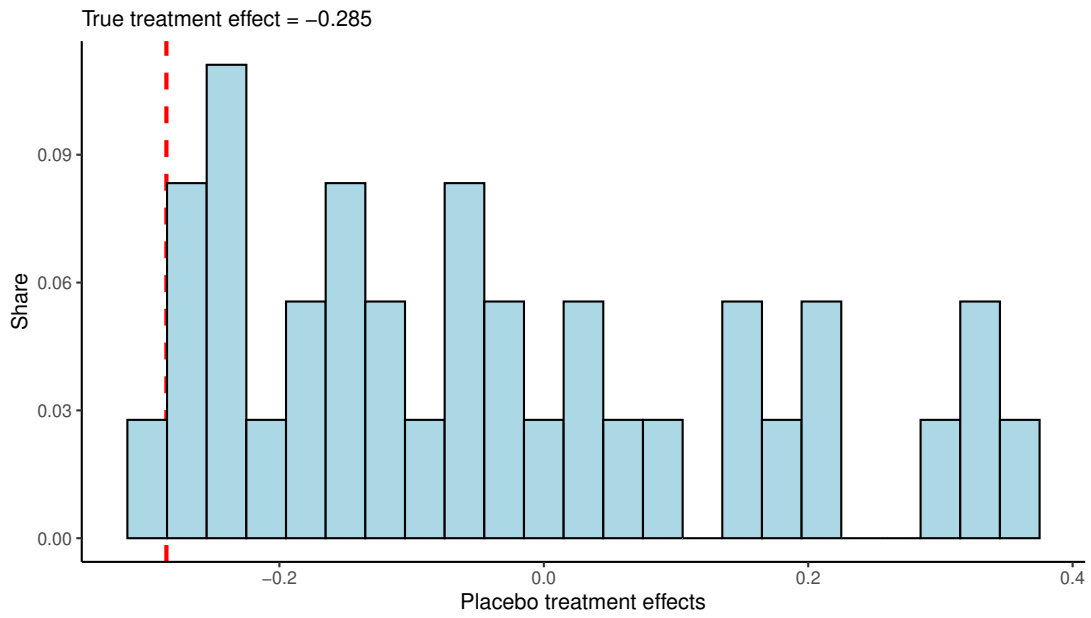
Notes: The figure shows the regression coefficients of interactions between the treatment variable and time period dummies with 95% confidence intervals. The model includes country and year fixed effects. p -value for the F -test of the joint significance of pre-treatment coefficients is 0.98. The red dashed line shows the moment of the Crimea annexation in March 2014. Due to the limited number of decisions from 2010, they are combined with 2011. Data for 2009 are not available.

Figure A23: Leave-one-country-out estimates for Ukraine



Notes: The figure reports estimates from the baseline specification obtained by excluding one control origin country at a time. The dashed vertical line indicates the estimate from the full sample.

Figure A24: Fisher-style randomization inference for Ukraine



Notes: The figure presents the distribution of placebo estimates obtained by reassigning treatment status and re-estimating the baseline specification. The vertical line indicates the actual estimate.

C Robustness

In this section, we assess the robustness of the results to alternative model specifications, inference procedures, treatment timing, and sample definitions.

Inclusion of Covariates. Column (2) of Table [A4](#) presents estimates with controls for the sex and ethnicity of the judge and indicators for whether the court is located near the border or in the capital, while column (3) adds these controls interacted with year fixed effects, allowing the effects of these characteristics to vary over time. The results show that adding covariates and their interactions has minimal impact on the point estimates, reinforcing the validity of the difference-in-differences design.

Alternative Clustering of Standard Errors. Column (4) of Table [A4](#) shows that the results are robust to clustering of standard errors at the country and year level instead of at the intersection of country and year. All results remain significant at the 1% level.

Alternative Model Specification. Column (5) of Table [A4](#) estimates a logit model instead of the linear probability model used in the main analysis. The coefficients remain negative and statistically significant in both Russia and Ukraine, indicating that the results are not specific to the linear probability model.

Alternative Treatment Period. In the main analysis, the reference time period is based on the actual decision date of a case, which logically reflects the moment of judicial decision-making. However, to check robustness, we also re-estimate the model using the case registration date instead, but only for Russia,

as registration information is unavailable for Ukrainian decisions. The results, displayed in column (6) of Table A4, are robust to this change in the treatment period definition.

Pre-annexation Case Registration. The availability of registration dates allows us to address another concern. One might argue that the types of disputes changed as a result of the annexation. However, even if this were the case, it would only affect litigation outcomes in the *home* country of the dispute, not the enforcement decision in the *foreign* country, which is the focus of our analysis. This is because enforcement courts do not reassess the merits of the case but only verify compliance with procedural and fundamental legal principles. Since the treaties governing enforcement procedures remained unchanged, any shifts in enforcement rates are unlikely to result from legal changes and instead reflect judicial discretion.

Although this reasoning suggests that changes in case composition should not affect enforcement outcomes, we conduct an additional test to address any remaining concerns. We restrict the sample to cases on the enforcement of foreign decisions registered before March 2014, ensuring that they were not influenced by the annexation at the time of registration. We then examine whether judges issued enforcement decisions before or after March 2014. As column (7) of Table A4 shows, even within this subset, enforcement rates decline significantly after the annexation. Since the composition of disputes remains unchanged, this decline can be fully attributed to shifts in judicial behaviour rather than changes in case characteristics. The magnitude of the effect is similar to the event study estimates for 2014–2016 in Figure 3, as cases registered before March 2014 would have been decided within this period. This supports our main conclusion that the observed

decline in enforcement rates stems from judicial responses.

Exclusion of Decisions from Courts in Crimea. One might argue that decisions from courts in Crimea could be especially biased by local judges. Although the number of decisions from these regions is relatively small in both Russia and Ukraine, we test the robustness of our findings by excluding these decisions. The results, presented in column (2) of Table A5, remain robust.

Balanced Panel. Not all countries have their decisions sought to be enforced in Russia and Ukraine every year, resulting in an unbalanced panel. To address this, column (3) of Table A5 presents estimates using a balanced panel, retaining only countries with complete observations across all years. The event-study estimates using the balanced sample, shown in Figures A10 and A22, also provide suggestive evidence that the parallel trends assumption holds.

Alternative Control Groups. We next examine whether the results depend on the composition of the control group. Columns (4) and (5) of Table A5 estimate the model separately using only CIS (Commonwealth of Independent States) and only non-CIS controls. The estimates remain negative and statistically significant across both specifications.

Excluding Countries with Few Decisions. Finally, we exclude control countries with 20 or fewer decisions over the full sample period. Column (6) of Table A5 shows that the estimates remain negative and statistically significant, suggesting that the results are not driven by countries with very few observations.

Permutation Placebo Test. Because the analysis compares a single treated origin country with multiple control origins, we complement the baseline inference with Fisher-style randomization inference (Fisher, 1935; Buchmueller et al., 2011). We reassign placebo treatment status across control-origin countries and placebo treatment years, re-estimate the baseline specification, and compare the actual estimate with the resulting randomization distribution, plotted in Figures A12 and A24. The actual estimates lie in the lower tail of the placebo distribution, with randomization-inference p -values of 0.017 for Russia and 0.054 for Ukraine.

This exercise should be interpreted with particular caution in our setting. In many applications of randomization inference, the placebo units or clusters are supported by substantially larger numbers of observations. In our data, by contrast, many control-origin clusters contain only a few decisions, so reassigned placebo treatments are often estimated from thin cells. This makes individual placebo estimates noisy and the resulting randomization distribution relatively coarse. We therefore report the Fisher-style exercise as complementary evidence on the robustness of the estimates, rather than as the basis for our main inference.

Leave-One-Country-Out Estimates. We also conduct a leave-one-country-out exercise, dropping one control country at a time, as shown in Figures A11 and A23. For Russia, the estimates are tightly clustered around the baseline estimate. For Ukraine, most estimates are similarly close to the baseline, although the estimated effect becomes smaller when Belarus, its largest control origin, is excluded. This greater sensitivity reflects the smaller Ukrainian sample; nevertheless, all leave-one-country-out estimates remain negative and statistically significant.

D Data Collection

Data are manually collected judgments of the Russian arbitrazh (commercial) and Ukrainian courts. The main data source of Russian judgments is the section “Bank of judgments” of the “Electronic Justice” platform, the primary digital tool for the Russian arbitrazh (commercial) courts. The owners of the data provided us with the list of all possible judgments that concerned foreign element (persons, judgments, courts). From this list, we excluded:

- Judgments related to enforcement of foreign courts’ requests to provide documents, to provide legal opinion, etc. (irrelevant types).
- Judgments related to enforcement of foreign notary executive inscriptions (irrelevant types).
- Judgments related to enforcement of the International Commercial Arbitration Court in Moscow (because this is a domestic institute).

The main source of Ukrainian judgments is “The Unified State Register of Court Decisions”. The categorisation of cases on the platform changed in 2019. Hence, we downloaded all judicial documents issued before 2019 from the category «Цивільні справи (до 01.01.2019); Розгляд клопотань про визнання та виконання рішень іноземних судів в Україні». For judicial documents issued after 2019, we used categories “Цивільні справи (з 01.01.2019); Справи окремого провадження; Справи про визнання та надання дозволу на примусове виконання рішення міжнародного комерційного арбітражу, з них;; про визнання і надання дозволу на добровільне виконання рішення міжнародного комерційного арбітражу” and “Цивільні справи (з 01.01.2019);

Справи окремого провадження; Справи про визнання та надання дозволу на примусове виконання рішення іноземного суду”. We then excluded:

- Family and non-commercial disputes.
- Ukrainian judgments that are a translated copy from Russian (or vice versa).
- Judgments related to enforcement of the International Commercial Arbitration Court in Kyiv (because this is a domestic institute).

All variables are manually coded from the judgments of enforcement request:

- Enforced: the enforcement request is granted (1) or rejected (0). If the enforcement was partial (only part of the judgment is enforced), which is rare, then the outcome was coded as granted.
- Appealed: if the judgment was appealed, then the judgment was assigned 1, and 0 otherwise.
- Enforced after appeal: the enforcement request is granted (1) or rejected (0) by the appeal court. If the enforcement was partial (only part of the judgment is enforced), which is rare, then the outcome was coded as granted.
- Public policy refusal: if the court refers to violation of public policy as a reason to refuse enforcement, then the assigned value is 1, otherwise 0. This reason could be a sole or one of several reasons.
- Undue notification refusal: if the court refers to undue notification as a reason to refuse enforcement, then the assigned value is 1, otherwise 0. This reason could be a sole or one of several reasons.

- Type of document: a variable indicates which type of legal act is requested to be enforced, a foreign judgment (0) issued by a state court or a foreign arbitral award (1) issued by an arbitration center.
- Country: a variable indicating the state of origin of foreign judgments and arbitral awards, coded in accordance with the ISO 3166-1 standard; After 2014, Crimean courts were assigned to have the label “Russia”, as a place of origin, due to the factual control over the territory, courts, and judges applying Russian law.
- Registration date: the date when a case was registered in a court.
- Decision date: the date when a judgment on enforcement was issued.
- Year: a variable indicating the year when a Russian (Ukrainian) judgment regarding the enforcement was issued;
- Sex: a variable indicating the sex of the judge who decides whether to satisfy the enforcement request (1 for female judges) based on the grammatical form of the surname; in case of gender-neutral surname, we searched the judge on the internet based on the court name which resolved the enforcement case.
- Ethnicity: judge ethnicity is inferred from surname endings. In the Russian-court analysis, judges with Ukrainian-sounding surnames, identified by endings such as “ко”, “ук”, and “юк”, are coded as Ukrainian-sounding (1). In the Ukrainian-court analysis, judges with Russian-sounding surnames, identified by endings such as “ов”, “ев”, “ва”, “ин”, “ын”, and “на”, are coded as Russian-sounding (1).

- Court's Region: a variable indicating the region in Russia or Ukraine where the court is located.
- Capital: if the judgment of enforcement was issued in Moscow or Kyiv, then this judgments were assigned 1, and 0 otherwise.
- Border: if the judgment of enforcement was issued by the border-regions, then this judgments were assigned 1, and 0 otherwise. The bordering regions in Russia are Belgorod, Bryansk, Crimea (after March 2014), Krasnodar, Kursk, Rostov, and Voronezh regions. The bordering regions in Ukraine are Avtonomna Respublika Krym (until March 2014), Chernihivska, Donetska, Kharkivska, Khersonska, Luhanska, Mykolaivska, Sum-ska, and Zaporizka oblasts.