

U.S. Judge Holds Argentina in Contempt over Vulture Fund Payments



New York, September 30 (Mercopress-RHC) -- New York District Judge Thomas Griesa on Monday declared Argentina in contempt of court, due to the country's actions in attempting to change debt jurisdictions as a result of the ongoing judicial conflict with holdout investors presided over by the U.S. magistrate.

Griesa ruled Argentina had not followed the court's orders following the passing of a law which seeks to remove Bank of New York Mellon as financial intermediary to pay bondholders.

The judge however, deferred the imposition of financial penalties, as requested by hedge fund NML Capital in its petition to the court, for a later date. He went ahead with the contempt ruling despite warnings from the Argentinian government to U.S. Secretary of State John Kerry that it could constitute interference in Argentina's sovereign affairs.

In a brief press conference before the hearing, Argentinian Foreign Minister Héctor Timerman said a contempt of court order against a foreign country would be

“inconceivable” and described it as a “desperate action against Argentina from (holdouts) vulture funds.”

Ahead of Griesa's decision, the minister pointed out that the U.S. government cannot ignore the actions of U.S. Judiciary “since a state is responsible for the acts and omissions of any of its organs.” Timerman said that “decisions taken by the U.S. could affect Argentina's debt restructuring process, violating the sovereignty of the Argentine Republic as a result.” He added: “A state cannot be subjected to monetary or contempt sanctions by judiciary authorities of another country.”

The official pointed out that Buenos Aires has taken the ongoing legal dispute to the International Court of Justice with no response from the U.S. government.

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