

By the Judgement of 18 November 2019 No.36-II the Constitutional Court of the Russian Federation appraised constitutionality of Articles 15 and 1064 of the Civil Code of the Russian Federation and Article 9, Para. 1, Subpara. 2; Article 10, Para. 1 and Article 59, Para. 3 of the Federal Law on “On Insolvency (Bankruptcy)”.

The interrelated challenged provisions were subject of consideration to the extent that on their basis the issue of recovering from an individual entrepreneur who did not apply to the arbitration court in time with a debtor statement for declaring it bankrupt, losses in the amount incurred by the applicant who initiated the bankruptcy case, court costs (including expenses for payment of the services of the arbitration manager) and entrusting the individual entrepreneur with the obligation to apply to the arbitration court with the statement of the debtor about recognising it bankrupt should tax authority on the basis of statements by the bailiffs institute enforcement proceedings - is decided.

The Constitutional Court recognised the challenged provisions as not contradicting the Constitution of the Russian Federation, since they do not imply such a penalty without establishing all elements of the corresponding civil offense, as well as without assessing the reasonableness and prudence of actions (inaction) of all persons who influenced the occurrence and amount of expenses in the case of bankruptcy (of the debtor, an authorised body, an arbitration manager and others).