

By the Judgement of 7 February 2024 No.5-II, Constitutional Court of the Russian Federation assessed constitutionality of Article 4 (part 16) of the Federal Law “On Protection of Interests of Individuals Who Hold Deposits in Banks and Separate Structural Subdivisions of Banks Registered and/or Operating in the Republic of Crimea and in the territory of the city of federal importance Sevastopol”

The contested legal provision was the subject of an examination insofar as, on its basis and in conjunction with other provisions of the law, the question of the amount of the debt to be recovered from a legal entity (a debtor of a credit institution meeting the criteria established by this legal provision) is decided in favour of the Depositors' Protection Fund.

The contested legal provision was found not to be in contradiction with the Constitution of the Russian Federation, because in its constitutional and legal meaning it implies this in the system of the current legal regulation:

the amount of the said debt is determined on the basis of the volume of compensation payments made and to be made to depositors, taking into account the possibility of collecting the debt from the entire population of debtors and the form of realisation of the creditor's rights;

If the debtor proves that the full collection of the debt in a fixed amount would make it impossible for the debtor to continue its activities (lead to bankruptcy) and it is established that the partial collection of the debt from the debtor in question would not significantly affect the possibility of making such compensation payments (satisfaction of rights (claims) acquired by the Fund), the court may decide to recover a certain part of the debt.