

**By the Judgement of 9 April 2024 No.16-II, the Constitutional Court assessed constitutionality of Article 138 (item 6) of the Federal Law «On Insolvency (Bankruptcy)».**

This legal provision has been the subject of consideration insofar as it resolves the issue of satisfaction of claims for payment of current debts for property taxes related to the subject of the pledge, as well as related interest at the expense of funds received from the use and sale of pledged property, prior to satisfaction with the creditor of the pledge. At the same time Constitutional Court separately stated that it does not assess this legal provision from the point of view of the correlation between the claims for payment of current tax arrears on real estate taxes relating to the pledged property and the claims of other persons, which may be satisfied from the proceeds of the sale of the pledged property.

The contested legal provision was found not to be in contradiction with the Constitution of the Russian Federation to the extent that its constitutional and legal meaning in the system of current legal regulation and the meaning given to it by the established practice of law enforcement suggest that:

Such claims shall be satisfied from the proceeds of the use and realisation of the pledged property prior to any satisfaction with the pledgee;

If in the circumstances of a particular case, the satisfaction of such claims prior to the commencement of settlements with the pledge creditor actually results in the loss of the economic significance of the pledge for the pledge creditor, and it is not established that it was the pledge creditor's conduct that created the conditions for the formation of a tax debt of such amount as to cause such negative consequences, the arbitration court shall have the right to allocate the funds received from the use or sale of the pledged object among the claims for payment in a proportionate manner.