ALRUD

Newsletter

Supreme Court to Assess Subsidiary Liability of New Director of a Dormant Company

20 August 2026

Dear Ladies and Gentlemen!

The Russian Supreme Court will consider a case concerning the subsidiary liability of a director who took office after the company had become effectively dormant and the debt had already arisen. The hearing is scheduled for 7 September 2026[1].

The dispute concerns the company's outstanding debt under interest-free loan agreements. The loans were entered into on behalf of the company by its former general director and majority shareholder, who was the spouse of the creditor. Shortly before part of the loans fell due for repayment, he appointed a new general director and withdrew from the company. The company subsequently became effectively dormant.

A minority shareholder holding a 30% interest became the company's general director only in September 2021, after the debt had already arisen. Nevertheless, the lower courts held him subsidiarily liable. They found that, following his appointment, he had failed to ensure the accuracy of the company's registered address in the USRLE, take steps to repay the debt or to terminate the company in accordance with the applicable legal procedures, either through liquidation or bankruptcy.

The key question before the Supreme Court is whether a director may be held liable for the company's debts where he assumed office only after the debt had arisen and the company had already become effectively dormant, with the lower courts having attributed the creditor's inability to recover the debt to the director's subsequent failure to act.

Importantly, the Supreme Court has not yet assessed the correctness of the lower courts' conclusions. It held that the minority shareholder's arguments warranted consideration and verification and therefore referred the complaint to the Judicial Panel for Economic Disputes.

We will continue to monitor the case and keep you updated on the Supreme Court's further position.

Practical Takeaway

The case highlights the risks faced by shareholders and directors who assume control of a company with existing debt and signs that the company has become effectively dormant.

In such circumstances, we recommend documenting the company's financial and corporate position before assuming authority, including its assets and liabilities, the transfer of corporate documents and company seal, and assessing whether liquidation or bankruptcy proceedings may be required.

Our team is ready to assist with legal due diligence of a business prior to acquisition, the identification of corporate risks, transaction structuring in light of the circumstances identified, the preparation of the necessary corporate documentation and protective mechanisms to safeguard your interests at every stage of the project.

We hope that the information provided herein will be useful for you. If any of your colleagues would also like to receive our newsletters, please send them the link to complete a Subscription Form. If you would like to learn more about our Corporate and M&A practice, please let us know by replying to this email. We will be glad to provide you with our materials.

[1] Case No. A56-85521/2024.

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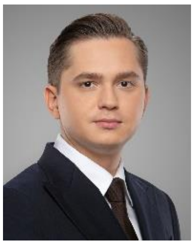

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