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TEMPORAL PROVISIONS OF THE BANKRUPTCY DOCTRINE**

Evgeniya V. Lyubimova, Marina G. Sukhanova
Perm State National Research University, Perm, Russia

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In the context of the burgeoning Russian insolvency law, the applicable regulations may undergo essential changes over a bankruptcy period due to lengthy insolvency procedures. In such case, a pivotal question for the bankruptcy participants is the application of legal developments that significantly affect the participants' scope of rights and obligations to the initiated procedure.

This study is aimed to develop and substantiate a unified procedure for the commencement of legal provisions governing the bankruptcy procedure.

The following tasks promote the above purpose:

1) Determining applied options of commencement of amendments to the Insolvency Law;

2) Weighing strengths and weaknesses of the determined options;

3) Concluding on the most suitable procedure for commencement of amendments in these legal relationships.

The analysis of amendments to the Insolvency Law highlights the absence of a legislator's unified approach. The article outlines seven models of amendments commencement used by the legislator:

1) amendments to the Insolvency Law do not describe the commencement procedure, so the general rule applies here: entry into force after ten days upon the date of their official publication;

2) amendments to the Insolvency Law explicitly specify the date of entry into force or the period on the expiry of which the amendments enter into force;

3) amendments to the Insolvency Law enter into force on the day of their official publication;

4) amendments to the Insolvency Law apply in bankruptcy cases in which proceedings are initiated after the date of the amendments commencement;

5) amendments to the Insolvency Law single out a cluster of legal relationships (e.g. legal relationships in current costs accounting) to which the amendments apply immediately (which is an exception to the general term of amendments commencement);

6) amendments to the Insolvency Law specify legal facts, given which a new version of the law shall or shall not apply; in particular, the legislator has used the following jural facts (1) the beginning of settlements with creditors of the third priority; (2) the completion of a monitoring procedure in relation to an indebted developer;

7) amendments to the Insolvency Law imply an extension of new rules to earlier existing legal relationships.

Following the analysis of strengths and weaknesses of the given models the authors believe that a new legal regulation (if any) shall be recognized when the bankruptcy case moves from one procedure to another. At the date of transition, the current version of the law in force is determined, its reference indicated in the judicial act. This mechanism allows the parties to the legal relationship to know with certainty the legal assessment from the judicial act and to build on the new legal regulation in their line of conduct. In the event of a fundamental change in the law, the parties will be protected by the current procedure as a temporary safeguard.

This will make the bankruptcy procedure foreseeable for the parties and prevent unpredictable risks that did not exist at the initiation of the bankruptcy proceedings.

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1. Introduction

A bankruptcy procedure suggests a fairly long period during which a large number of legal relations subjects (debtor, creditors, bankruptcy trustee, etc.) perform various actions. Legal relations arising from the bankruptcy of the debtor are mostly characterized as continuing. According to the statistics of the Judicial department under the Supreme Court of the Russian Federation for Q1 2021, 1,595 cases have been reviewed beyond the term stipulated by Article 51 (7 months), Article 228 (1 month) of the Bankruptcy Law (excluding the terms of suspension of claim, suspension of proceedings)[1]; for 2020, 3,137 cases have been revewed beyond the stipulated term[2].

Based on the analysis of the aforementioned statistical data, there is an urgent demand in the bancruptcy institution: so, in 2020, 169,859 bankruptcy cases were accepted for hearing,[3] in the first half of 2021 – 121,996 bankruptcy cases.[4] According to I.I. Shuvalov, in the periods of unfavorable economic situation both in Russia and the world, bankruptcy of organizations, as well as individual entrepreneurs, becomes wide-sweeping. This situation affects the economy of the country as a whole, interfering with other public interests (preservation of jobs, fiscal interests, etc.). In this case, private interests of an insolvent economic entity and those of its creditors become not only their own (private) interests, but also public interests [1, pp. 105-107].

Over the last decade, the lawmaking activity of the legislator has been extremely high. According to G.A. Zhilin, such instability is, particularly, due to the legislator's lack of attention in adoption of the latest procedural codes to substantive sources of procedural law [2, pp. 79-80]. Besides, literature refers to the growing complexity of the text of normative acts; specifically, the number of long sentences in the legislation has increased significantly (by five times) compared to the legislation of the early years of modern Russian statehood [3, pp. 50-51]. Legal texts of the body of law at the present stage are described as incomplete, fragmented, inhomoneneous, split and uncertain, despite the effect of numerous normative legal acts and a large number of law-making initiatives coming from different law-making subjects. Fragmentation is typical of both national and international law, and not only in the body of law, but also in other sources of law, judicial practice, legal doctrine, policy and strategic documents, etc. [4, p. 27].

These trends are fully descriptive of the body of domestic legal norms regulating the bankruptcy proceedings. At the same time, we cannot but agree with the opinion expressed in the legal literature, that, despite the fact that the legislation on bankruptcy is developing very dynamically, gaps in the legislation are extremely apparent when it comes to regulation of specific insolvency issues [5, p. 121].

Since bankruptcy procedures often bring together the interests of several participants of a legal relationship with different statuses, the lack of clarity of legal regulation and absence of a common approach to application of the newly adopted legal norms to the already initiated procedures can create uncertainty in the legal regulation of the legal relations and cause disputes in an already conflict-ridden environment.

Regarding the insolvency law, the lack of certainty in the order of application of a new version of legal regulations is largely due to the fact that the debtor's bankruptcy entails both substantive and procedural legal relations. Sometimes it is quite difficult to make a clear distinction between them,

[1] Report on the work of the arbitration courts of the constituent entities of the Russian Federation for 6 months of 2021 (date of compilation 24.11.2021). URL: **http://www. cdep. ru/i№dex. php? id=79& item=5897**(access date: 19.03.2022)

[2] Report on the work of arbitration courts of the constituent entities of the Russian Federation for 12 months of 2020 (date of compilation: 24.11.2021) **URL: http://www.cdep.ru/i№dex.php?id=79&item=5670.** (access date: 19.03.2022)

[3] Ibid.

[4] Report on the work of arbitration courts of the constituent entities of the Russian Federation for 6 months of 2021 (date of compilation: 24.11.2021) URL: http://www.cdep.ru/i№dex.php?id=79&item=5897. (access date: 19.03.2022)

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which certainly complicates the enforcement process. The legal literature draws attention to the dialectical unity, mutual influence and interdependence of substantive and procedural regulation of insolvency; substantive norms on insolvency (bankruptcy) are implemented only through judicial enforcement. The procedural form of bankruptcy proceedings is an integral component of the system of legal regulation of insolvency (bankruptcy), an important part of it, without which the system itself and coherent action of its elements are unthinkable [6, pp. 212-213].

In the context of the temporality of legal norms, an additional difficulty is that substantive and procedural norms come into force in different ways.

The general rule on the application of new regulations in the field of substantive law is stipulated in Article 4 of the Civil Code of the Russian Federation[5] (hereinafter the Civil Code), according to which *acts of civil legislation do not have retroactive force and apply to relations that have arisen after their enactment.* As an exception, the same norm stipulates that *a law applies to relations that arose before its enactment only in cases where this is expressly provided for by law*. However, a more complex regulation is envisaged in respect to continuing legal relations: by virtue of Part 2 of Article 4 of the Civil Code*, in respect to relations which had arisen before the enactment of the civil law act, the latter applies to the rights and obligations which arose after its enactment. Relations between the parties under a contract concluded before the enactment of a civil law act are regulated in accordance with Article 422 of this Code*.

The general rule of application of new normative legal acts in the field of arbitration proceedings is enshrined in Part 3 of Article 3 of the Arbitration Procedural Code of the Russian Federation[6] (hereinafter - the APC RF), according to which *proceedings in arbitration courts are carried out in accordance with federal laws in force at the time of dispute resolution and case hearing, performance of a separate procedural action or execution of a court act.* In other words, the new norms of procedural law come into force throughout Russia simultaneously and irrespective of the stage of the process of a particular case.

The Federal Law "On Insolvency (Bankruptcy)"[7] (hereinafter referred to as the Bankruptcy Law) does not contain special rules regarding entry into force of new norms of law; therefore, legal relations arising in connection with bankruptcy proceedings are of particular interest in terms of their legal regulation in the context of constant changeability of legal norms.

Despite many publications by bankruptcy researchers, the problems of enactment of the amendments have not been analyzed comprehensively. There have been studies of the following individual aspects: branches and representative offices of debtors [7]; bankruptcy of citizens [8]; bankruptcy of developers [9]; subordination of creditors' claims [10]; subsidiary liability [11, 12, 13, 14], damages [15]; limitation of claims [16, 17].

The purpose of this study is to develop and justify a unified procedure for entry into force of the legal norms regulating the bankruptcy procedure.

This goal is achieved through fulfilment of the following objectives:

1) to identify options for entry into force of the amendments to the Bankruptcy Law;
2) to compare the advantages and disadvantages of the identified options;
3) to conclude on the most appropriate option for the procedure of entry into

[5]Civil Code of the Russian Federation (Part One) dated 30.11.1994 No. 51-FZ (revised on 21.12.2021) (with amendments and supplements, in force since 29.12.2021). The original text of the document was published in Collection of Legislation of the Russian Federation, 05.12.1994, No. 32, Art. 3301.

[6]Arbitration Procedural Code of the Russian Federation dated 24.07.2002 No. 95-FZ (revised on 01.07.2021, amended on 22.07.2021). The original text of the document was published in Collection of Legislation of the Russian Federation, 29.07.2002, No. 30, Art. 3012.

[7]Federal Law dated 26.10.2002 No. 127-FZ (revised on 30.12.2021, amended on 03.02.2022) "On Insolvency (Bankruptcy)" (with amendments and supplements, in force since 10.01.2022). The original text of the document was published in Collection of Legislation of the Russian Federation. 28.10.2002. No. 43. Art. 4190.

force of the amendments for the legal relationship in question.

2. Procedure for entry into force of bankruptcy regulatory legal acts

An analysis of the regulatory legal acts that have amended the Russian insolvency legislation reveals that the legislator has no uniform approach to determining the procedure of their application to continuing bankruptcy proceedings.

In the meantime, the options used to enact changes to the Bankruptcy Law can be divided into seven models:

1) the legal act amending the Bankruptcy Law does not describe the procedure for entry into force of the amendments, so the general rule applies: federal laws enter into force simultaneously in the entire territory of the Russian Federation ten days after their official publication;[8]
2) the legal act amending the Bankruptcy Law explicitly specifies the effective date or period after which the amendments will come into force (without reference to the procedures applied in the bankruptcy case, or other actions or events); this method allows for a transitional period during which the parties of a legal relationship may have the time to exercise rights (or obligations) or defer actions, depending on which applicable law is advantageous to them;
3) the legal act amending the Bankruptcy Law enters into force from the date of its official publication; this method eliminates the transitional period for participants in legal relations;
4) the legal act amending the Bankruptcy Law stipulates that the new revision of the law applies in bankruptcy cases initiated after the date of entry into force of the amendments; this gives the parties to the legal relationship the opportunity to influence the date of initiation of bankruptcy proceedings and thereby choose the applicable law;
5) the legal act amending the Bankruptcy Law identifies a group of legal relations (e.g. current expenditure accounting relationship) to which the amendments apply immediately (which is an exception to the general effective date of the amendments);
6) the legal act amending the Bankruptcy Law contains an indication of the legal facts which determine whether the new version of the law shall apply or not apply; in particular, the legislator uses such legal facts as 1) beginning of settlements with third-party creditors; 2) completion of the supervision procedure in relation to the debtor-developer;
7) the legal act amending the Bankruptcy Law implies extension of the new norms to previously arisen legal relations. Interestingly, there is no explicit indication of the same in the legal act; but the final provisions of the law contain an indication that new obligations arise for the participants of the bankruptcy case. In particular, a bankruptcy trustee has a new obligation to amend the creditor claims register by excluding the claims of legal entities in respect of the transfer of residential premises; by including the claims of citizens participating in shared construction regarding parking spaces and non-residential premises; also, bankruptcy trustees have the right to be accredited by the Fund for the Protection of Rights of Citizens Participating in Shared Construction, a prerequisite for further support of the developer bankruptcy proceedings. Participants of legal relations faced a serious problem of retroactive effect of the law when the chapter on subsidiary liability was introduced [18, pp. 173-176].

Comparison of these models reveals the advantages and disadvantages of each of them.

[8] Article 6 of the Federal Law dated 14.06.1994 No. 5-FZ (revised on 01.05.2019) "On the Procedure of Publication and Entry into Force of Federal Constitutional Laws, Federal Laws, and Acts of the Chambers of the Federal Assembly". The original text of the document was published in Rossiyskaya Gazeta, No 111, 15.06.1994.

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The first, second and third options, in our opinion, suggest application of the norms of Part 2 of Article 4 of the Civil Code or Part 3 of Article 3 of the APC RF – depending on whether the substantive or procedural norms have been changed. As noted earlier, the main difficulty is that it is not always possible to divide legal relations arising in bankruptcy into substantive and procedural ones. In particular, amending the register of creditor claims is a judicial procedure for determining the amount and composition of claims and their subsequent entry in the register by the bankruptcy trustee. Therefore, if the procedure for inclusion in the register changes, the change affects both substantive and procedural legal relations.

Another problem is that the participants in a bankruptcy case may enter into substantive and procedural legal relations at different times: one group of creditors initiated the bankruptcy case and therefore has the rights, obligations, and has performed actions to enforce the rights and obligations since the initiation of the bankruptcy proceedings; another group of creditors has seen fit to participate in the bankruptcy proceedings at the closing stage of the creditor claims register.

A vivid example of the problem outlined above are the novelties reflected in Articles 201.9, 201.12-2 of the Bankruptcy Law concerning the change of status of a shared construction participant which is a legal entity. The aforementioned novelties were criticized in the legal literature as giving rise to ambiguity of the status of a shared construction participant which is a legal entity [19]. Such criticism seems to be well-grounded, because at the moment of raising the claims to the register of shared construction participants, as of the date of the beginning of bankruptcy proceedings against the developer, such a participant could count on the transfer of residential premises; but due to the changes introduced into the bankruptcy procedure, he can only hope for such a significant increase in the bankruptcy estate, which will be sufficient to pay the claims of the fourth priority, to which such creditors have been transferred. The reality of bankruptcy proceedings in Russia shows that such a scenario rarely occurs.

An undoubted advantage of **the fourth option** is that the provisions of the Civil Code and APC RF do not apply because the legal relationship in connection with the debtor's insolvency has not yet arisen. This kind of a regulation ensures clarity of the applicable law. However, such an approach is untypical of the procedural legal relations, so the performance of procedural actions under different versions of the law will require additional attention of bankruptcy judges and will involve, in each particular case, establishing the version of the law in force at the date of commencement of the case. For example, on average, the Bankruptcy Law changes 6-7 times a year (132 laws amending the Bankruptcy Law have been adopted over 20 years). Consequently, in case of widespread use of the fourth amendment method, all claims for court proceedings received during the year are effectively divided into 6-7 groups in accordance with the applicable version of the Bankruptcy Law. This method allows for simultaneous application of a large number of versions of the same law. This circumstance will create situations in which the same set of facts will be qualified differently if the respective bankruptcy cases were initiated at different times, which will create a contradiction in court practice.

The fifth and sixth options, which are based on a combination of legal facts or on the identification of a group of creditors, are extremely difficult from a practical point of view, since to establish the applicable law, one has to extend the fact in proof of the case. The literature offers that "reservations can enhance the universality of a legal norm, give legal regulation the necessary flexibility and make law enforcement more broad and humane, thereby strengthening the function of law and its social and moral value. However, reservations should only be used in accordance with the accurate reflection of the textual expression and the objective necessity of their use in the law enforcement process, e.g. by establishing the limits of the legal reservation, using chaste legal and linguistic style, excluding homonymity and ambiguous interpretation" [20, p. 20]. The legal technique of writing reservations in regulatory acts on bankruptcy has obvious logical contradictions, which increases the conflict potential of legal relations. Therefore, we believe that this method creates an artificial

difference in the legal regulation of similar bankruptcy cases.

Moreover, a situation may arise where the scope of powers of a particular category of creditors is changed within a single procedure. An illustration of such a situation, which has seriously exacerbated the conflict of interest in developer bankruptcy proceedings, is the introduction of legislative amendments to change the position of pledge creditors who are not shared construction participants. Thus, the Federal Law of 27.06.2019 No. 151-FZ "On Amendments to the Federal Law 'On Participation in Shared Construction of Apartment Buildings and Other Real Estate and on Amendments to Certain Legislative Acts of the Russian Federation' and Individual Legislative Acts of the Russian Federation"[9] provides for the rule that a pledge over a shared construction object should be terminated if the object is transferred to the Fund for Protection of Rights of Citizens Participating in Construction under the procedure set out in the Bankruptcy Law.

This innovation has significantly aggravated the situation of pledge creditors of an insolvent developer. Notably, earlier legal literature pointed at the need to provide pledge creditors and citizens participating in construction with equal rights in satisfying their claims for the sale of pledged property, regardless of whether or not these citizens are pledge holders in respect of the construction-in-progress and land being sold [21]. This approach was aimed at providing the citizens participating in construction with additional guarantees and removing the priviledge of pledge creditors.

In the legislative novelty under consideration, the legislator has gone even further and actually deprived pledge creditors of any hope of having their claims in the developer's bankruptcy proceedings satisfied, by extending the new rules to bankruptcy proceedings initiated before the entry into force of this Federal Law No. 151-FZ of 27.06.2019, provided that no settlements with third priority creditors have commenced by that date.

This inevitably provoked mass appeals against court rulings in bankruptcy cases on the transfer of the developer's property rights to the Fund by pledge creditors, who could count on satisfaction of their claims if they were included in the register but were in effect deprived of their pledge status because of the innovations.

The urgency of the problem of applying the above novelties is confirmed by the position of the Supreme Court of the Russian Federation, which suspended hearing of the cassation appeals concerning the aforementioned changes and filed a request to the Constitutional Court of the Russian Federation on the constitutionality of the provisions of Parts 14 and 17 of Article 16 of Law No. 151-FZ (to the extent that these provisions in the system of current legal regulation permit retroactive application of the norms on terminating the pledge rights of creditors who are not participants in the construction, without paying them fair compensation when the land plot or construction object is transferred to the Fund as part of the developer's bankruptcy case). [10] Apparently, the position to be expressed on this issue by the Constitutional Court of the Russian Federation may significantly affect the understanding of the temporality of the legal norms in the Bankruptcy Law.

The seventh option seems a highly undesirable exception to the general rule about the operation of the law over time; it must be accompanied by a strong rationale and a significant transition period.

The explanatory notes to the regulations amending the Bankruptcy Law do not provide a rationale as to the order of entry into force chosen by the legislator for the amendments, which makes such a differentiated approach a doubtful option.

The above criticisms demonstrate the inappropriateness of the general rules for entry into

[9]Federal Law of 27.06.2019 No. 151-FZ "On Amendments to the Federal Law 'On Participation in Shared Construction of Apartment Buildings and Other Real Estate and on Amendments to Certain Legislative Acts of the Russian Federation' and Individual Legislative Acts of the Russian Federation" // Collection of Legislation of the Russian Federation. 01.07.2019. No. 26. Art. 3317.

[10]Ruling of the Supreme Court of the Russian Federation of 21 February 2022, No. 309-ES18-13770 (4 - 6) in case No. A50-10848/2014 **URL:** https://kad.arbitr.ru/Kad/Card?#umber=%D0%9050-10848%2F2014 **(access date: 10.03.2022)**

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force of the law and, as a consequence, justify the need to seek specific legal regulation for entry into force of the amendments to the Bankruptcy Law.

3. Ongoing bankruptcy proceedings as a transitional period of change in the law

In developing the optimal model of legal regulation, it seems necessary to proceed from the fact that most often the effectiveness of law is equated with performance (achievement of the purpose of a legal norm) [22, p. 218]; the criteria of effectiveness of legal norms are frequency of application of law, the degree of conflict in the public relations being regulated, as well as the ratio of the number of instances of lawful conduct to the number of instances of unlawful conduct [23, p. 5]. We cannot but agree with D. A. Savelyev's observation that writing of a quality text will contribute to a clearer formulation of the ideas embedded in a legal act [3, p. 51].

The literature draws attention to the fact that amendments to civil legislation must meet ontological and logical criteria, the requirement of legal certainty and non-infringement of the human and civil rights [24, p. 733].

As for the Bankruptcy Law, authors point out that legislative regulation of insolvency relations is often based not on the elaborated theoretical basis, but on the specific utilitarian needs of the situation; many norms of the current Bankruptcy Law are adopted solely in response to abuse by certain entities, which, in turn, causes abuse by those who the previous version of the law tried to protect [25. p. 595]. Such trends in the creation of legal norms inevitably affect the effectiveness of adopted innovations.

K.L. Branovitsky observes that quality justice takes into account the public opinion when formulating its tasks. "It is noteworthy that Russian citizens (one in four) have begun to perceive justice as a system of special "services" to the population to be provided by polite staff, having intuitive interface, quick and easy to use" [26, p. 534].

In bankruptcy proceedings, the parties to the legal relationship are expected to transition from one procedure to another, and the transition is formalised by a judicial act.

When a bankruptcy case is initiated and the first claim is reviewed, it is proposed to fix the version of the Bankruptcy Law in force at the beginning of the period for the entire period (from the date of initiation of proceedings to the date of consideration of the application on the merits). This approach ensures stability of legal regulation, i.e. predictability of the legal qualification; it allows the participants of the process to count on the legal result contained in the legal provisions; it also ensures that the court does not waste time in establishing the content of new legal provisions and the extent of their impact on the existing legal conflict.

Further, during the transition to bankruptcy procedure, it is also proposed to fix the version of the Bankruptcy Law in force at the beginning of the period for the entire period (from the date of introduction of supervision / bankruptcy proceedings / debt restructuring / sale of property - to the date of completion of the procedure). In this case, for the entire period of the procedure, the legal consequences for the participants of legal relations will be clear, consisting in a set of rights, obligations and responsibilities; there will be no need to spend time on adjusting the behaviour of subjects in connection with changes in legislation, or to address the court to resolve disputes. This approach increases legal certainty and makes the law clearer and easier to apply.

When the next bankruptcy procedure is introduced, it is proposed that the applicable law is re-established and that it is followed throughout the next procedure.

As part of the proposed approach, the new legal regulation (whenever it appears) is taken into account at the moment when the bankruptcy case is transferred from one procedure to another. On the date of transition, the effective wording of the law is determined and referred to in the judicial act. This mechanism allows the participants of legal relations to reliably know about the legal qualification from the judicial act (and not from the mass media, the Internet or third party sources), to prepare (familiarise themselves with the amendments and establish their content) and take the new legal regulation into account in their conduct. In case of a dramatic change in the law, the parties will be

protected by the current procedure as a temporary buffer.

The doctrine of procedural law contains a detailed description of the legal nature of a judicial act and the properties of legal force.

In the legal literature, a judicial act is considered as a special legal fact [27, p. 255], i.e. it acts as a basis for the emergence, change or termination of legal relations. The proposed dependence between the amendments to the law and the introduction of a new bankruptcy procedure is fully consistent with the nature of a legal fact.

According to S.N. Khorunzhy, a court decision does not change the pre-existing legal relationship, but only restores the infringed right of a person; authorizes the execution of the plaintiff's rights arising from subjective civil right through a procedural form [28, p. 306]. The aforementioned is true for the rulings on the initiation of a bankruptcy procedure, since they authorize the restoration of the rights of creditors and (or) debtor. Besides, an indication of the applicable law in such rulings is a guarantee of lawfulness of a judicial act.

According to S.K. Zagainova, the consideration of the essence of legal force of judicial acts can be performed through final elimination of legal uncertainty by the court. Analysis of the essence of the legal force of a court decision helps focus not on the act of justice as such, but on its functional purpose, which is expressed in the elimination of legal uncertainty, giving finality and stability to social relations [29, p. 397]. It appears that fixation of the applicable law at the beginning of a bankruptcy procedure meets the requirement of legal certainty, while the use of a new version of the law during the procedure objectively requires a pause to analyze the changes and their relevance to the case in question.

Analyzing the role of formalism in procedural law, M.S. Patsatsia argues that the need for judicial resolution of legal conflicts is implemented as a general rule through the protection of infringed or disputed rights and legitimate interests. "In this case, the optimal procedural form is not an end in itself, but only a means. If we treat it as an end in itself, we can expect that relatively soon, dissatisfaction with such justice will grow into a big social problem. And this is not surprising, because an unlawful judgement rendered by the most objective court in full compliance with the formal requirements does not eliminate the legal conflict per se, but merely legalizes injustice, or even abuse, *adhoc* (i.e. for this case) " [30, p. 30]. Given this observation, an overly formal procedure for the entry into force of the law (on the day of its official publication, 10 days after its official publication, etc.) practically does not give the participants of bankruptcy case the necessary time and room for maneuver. The specific nature of a bankruptcy case suggests the possibility to organize meetings of creditors (creditors' committee) to make decisions which will be taken into account by the court in the conclusion of the ongoing bankruptcy procedure. In this regard, the possibility to "postpone" the application of the new version of the law until the end of the ongoing bankruptcy procedure is in line with the idea of extinguishing the legal conflict.

4. Conclusion

Review of the mechanisms used by the legislator to enact bankruptcy regulatory legal acts, and comparison of advantages and disadvantages of the identified mechanisms, has rendered the following results.

In the context of intense reformation of the domestic bankruptcy law, it would be advisable to develop a unified approach to determining the time when to apply the innovations to the relationships that have already arisen, when the latter are complicated by the insolvency of one of the parties.

Of all the models used by the legislator for entry into force of changes in bankruptcy law, the most effective option is, apparently, to make the date of the judicial act introducing each new bankruptcy procedure a cut-off point in this process. With this approach, it can be assumed that an individual bankruptcy procedure can act as a temporary buffer when the legislation changes. This would make the bankruptcy procedure foreseeable for its participants and eliminate unpredictable risks that did not exist at the time when the bankruptcy case was initiated.

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INFORMATION ABOUT AUTHORS

Evgeniya V. Liubimova – Senior Lecturer, Department of Commercial Law, Civil and Commercial Process
Perm State National Research University
15, Bukireva ul., Perm, 614068, Russia E-mail: lubimova.evgenya@gmail.com
RSCI SPIN-code: 1827-9109; AuthorID: 826901

Marina G. Sukhanova – PhD in Law, Associate Professor, Department of Labor and International Law
Perm State National Research University
15, Bukireva ul., Perm, 614068, Russia E-mail:intlawstud2010@yandex.ru
RSCI SPIN-code: 8828-2562; AuthorID: 1141840

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