

## THE CODE OF CIVIL PROCEDURES

### CHAPTER 13. SECURING A CLAIM

#### Article 142. Grounds for Securing a Claim

Upon the application of persons involved in the case, the judge is entitled to undertake measures to secure a claim. Securing claims shall be allowed at all stages of case proceedings, when failure to take such actions may impede or make decision enforcement impossible.

#### Article 143. Measures to Secure Claims

1. the following shall be measures to secure claims;

- seizure of property belonging to the defendant;
- prohibiting the defendant to perform certain acts;
- prohibiting to perform certain acts to other persons related to the subject of the dispute, including transferring property to the defendant or meet other obligations related to the defendant;
- suspending sale of property in the case of a suit to release impounded property (exclusion from inventory);
- suspending collection based on the court order litigated by the debtor in a judicial proceeding.

2. When necessary, the judge may take other measures to secure claims in conformity with the provisions of the Article 142 of this Code. The judge may allow several types of securing claims.

3. Seizure of the property that belongs to an organization, a citizen individual entrepreneur in securing a claim shall be performed as follows:

- at first instance – seizure of the property of a defendant, who is not directly involved in the issue of securities, cash in the defendant’s accounts, currency valuables, motor vehicles, office design items, etc.;
- secondarily – seizure of finished products (goods), as well as material valuables, which are not directly involved and not assigned for direct involvement in the judicial proceedings;
- thirdly – seizure of immovable property, as well as inputs and materials, machinery, equipment, other fixed assets assigned for direct involvement in the judicial proceedings;
- fourthly – seizure of property transferred to other persons.

4. In the case of violation of the rules provided in the paragraphs two and three of the Part 1 of this Article, guilty persons shall be subject to penalty in the size of up to one hundred of the set indicator for settlements. In addition, the plaintiff shall have the right to claim compensation of losses caused by the failure to secure a claim from such persons.

5. Measures to secure claims shall be proportionate to the claim of the plaintiff.

6. Measures taken to secure claims depending on the type of claims shall be communicated to the relevant government bodies in charge of the registration of property or the ownership right by the judge or by the court.

#### Article 144. Consideration of the Application to Secure a Claim.

Applications to secure claims shall be considered at the day of receipt by the court without a notification to the defendant and other persons involved in the case. The court shall issue a decree on measures to secure a claim.

#### Article 145. Administration of the Decree to Secure a Claim.

1. Decrees to secure claims shall be executed immediately according to the procedures set for execution of judicial acts.
2. The court shall issue an execution warrant based on the decree to secure a claim.

#### Article 146. Replacement of One Type of Claim Security by another

1. Upon an application of the person involved in the case, replacement of one type of claim security shall be allowed.
2. The issue of replacing one type of claim security by another shall be allowed by the judge in accordance with the provisions of the Article 144 of this Code.
3. In securing claims to recover cash amounts, the defendant shall have the right to deposit an amount claimed by the plaintiff in exchange of claim security measures taken by the court.

#### Article 147. Cancelling a Claim Security

1. Securing a claim cannot be cancelled by the same judge on the defendant's application.
2. Cancellation of securing a claim shall be resolved at the judicial proceedings. Person involved in the case shall be notified on the time and venue of the judicial proceeding, however, their default of appearance shall not constrain consideration of the issue on cancelling a claim security.
3. In the case of dismissal of claims, measures taken to secure claims shall retain until the decision becomes legally effective. However, the judge may simultaneously with, or after the decision, issue a decree to cancel claim security measures. In satisfying claims, adopted measures to secure claims shall remain effective prior to the court decision.

#### Article 148. Private Complaints on Decrees to Secure Claims

1. Private complaints can be laid on all decrees to secure claims of persons involved in the case.
2. When a decree to secure a claim was issued without informing appealing persons, the term for laying complaints shall be calculated from the day when they learnt about such a decree.
3. Laying private complaints on the decrees to secure claims shall not suspend execution of such decrees.
4. Laying private complaints on the decrees to cancel securing claims or replacement of one type of claim security by another shall suspend execution of a decree.

#### Article 149. Preliminary Security Measures and Compensation of Losses Caused by Securing a Claim

1. Upon an application, the court may take preliminary security measures aimed at provision of property interests of the applicant prior to bringing an action.
2. Preliminary security measures shall be taken by the court in accordance with the rules envisaged by this chapter.
3. Applications on preliminary security measures shall be submitted to the court at the defendant's location, or at the location of cash or other assets, related to which the applicant requests preliminary security measures, or to the court at the place of violation committed by the applicant.
4. When submitting preliminary security measures, the applicant shall provide the court with a document confirming a countering security in the amount defined in the application to secure property interests.
5. In the case of failure to provide such a document, the court shall retain an application on

preliminary security measures with no action in accordance with the Article 139 of this Code.

6. The court shall issue a decree on preliminary security measures. The decree shall set a term of up to fourteen days from the issue of the decree for lodging a complaint upon request, related to which the court took measures to secure property interests of the applicant.

7. Complaints shall be submitted by the applicants to the court, which issued a decree on the preliminary security measures, or another court in accordance with the rules of jurisdiction and competence set by this Code, on which the applicant shall inform the court that issued such a decree.

8. When an applicant did not submit a complaint within the term set in the decree on preliminary security measures, claim security shall be cancelled by the decree of the same court.

9. Copies of the decree shall be sent to the applicant and other stakeholders in no later than the next day after the decree.

10. When an applicant submits an application after demand, related to which the court took preliminary security measures, such measures shall be recognized as measures to secure claims.

11. Persons, who incurred losses through preliminary security measures prior to lodging a claim, shall have the right to demand compensation from the applicant:

- when the applicant did not lodge a complaint within the term defined by the court after demand, due to which the court took measures to secure property rights;
- when a judicial act in effect declines a complaint.

12. Disputes on the compensation of losses shall be considered through the submission of complaints according to general procedures.