

Russian Bankruptcy Cases Jump 70%

Experts say a simplified legal procedure is behind the sharp rise, and the coronavirus crisis is set to compound the issue.

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The Russian government has introduced a six-month moratorium on some bankruptcy cases. But experts expect new filings to rise as a result of the coronavirus crisis. **Stanislav Krasilnikov / TASS**

Bankruptcy filings in Russia shot up in the first three months of the year, as experts warn millions of Russians are set to fall behind on their loans and mortgages as the coronavirus crisis continues.

The number of Russians filing for bankruptcy increased by 68% between January and March 2020, compared to the same period last year, new statistics have [shown](#).

Experts say the increase is not yet directly related to the economic fallout of the coronavirus, but rather a simplified procedure and higher awareness of bankruptcy as an option for the seriously indebted. Nevertheless, the National Bureau of Credit Histories estimate 1.1 million

Russians could declare bankruptcy in the coming months as a result of the coronavirus crisis and a loosening of qualifying criteria.

“The current crisis, in contrast to 2015, is caused by a number of factors — ruble volatility and the pandemic — which will objectively lead to increased risks of salaries being paid late or reduced. These are the main triggers of consumer bankruptcy,” lawyer Vladimir Yefremov of Arbitrage.Ru told news site RBC.

The Russian government has introduced a six month moratorium on initiating bankruptcy proceedings for some categories of debtors as part of its limited package of measures to support the economy through the coronavirus crisis.

In 2019, 69,000 Russians filed for bankruptcy — a 58% increase from the year before.

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