

The Supreme Court of Lithuania set precedent regarding the responsibility of the head of a branch of a foreign legal person

The Supreme Court of Lithuania decided (judgment of 25 October 2018) regarding the duty of the head of a branch of a foreign legal person registered in the Republic of Lithuania to execute the bailiff's claim regarding the provision of information on movable and immovable property, property rights and assets held by a legal person in Lithuania.

The courts of first and second instance decided that only the parent company is responsible for the submission of information and documents requested by the bailiff.

But the Supreme Court of Lithuania found that a branch of a foreign legal person registered in the Republic of Lithuania acts in accordance with national law. The branch does not have legal person rights and is responsible for obligations of a legal person registered in another state if such obligation is recognized and enforced in the Republic of Lithuania in accordance with the procedure established by the laws of the Republic of Lithuania. Therefore, the head of a branch of a foreign legal entity who is responsible for the obligations of a foreign legal person, who manages information on the property held by a legal entity of the foreign state (the debt-or) on the territory of the Republic of Lithuania, must execute the legal (uncontested) bailiff's requirements. This decision means that the head of a branch must, according to the request of the bailiff, provide information about the assets of a legal entity of a foreign state on the territory of the Republic of Lithuania.

The head of a branch of a foreign legal person is responsible for the failure of the bailiff's claim.



SAULIUS AVIŽA
ATTORNEY AT LAW,
MANAGING PARTNER

+370 5 212 0033
SAULIUS.AVIZA@NJORDLAW.LT