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Belarus will appoint external managers in commercial organizations with foreign capital in case of malmanagement

A business entity where the owner of the property is a foreign entity (an individual or a legal entity from any foreign country) can be transferred to external management for the period up to 18 months by the decision of a regional or Minsk city executive committee (municipal body).

The list of grounds is open-ended. The Law sets out the following:

- ▶ de facto termination of management by the executive bodies of the legal entity;
- ▶ economically unreasonable decisions which may lead to business termination, liquidation or bankruptcy. However, what is meant in this case is not explained in the Law.

Other grounds will be specified in the government resolution which will be issued as a follow-up to the Law.

The external management of a legal entity will consist of replacing the existing director (executive body) with a temporary manager appointed by the executive committee.

The provisions of the Law on external management are valid until December 31, 2025. The further management of the business entity after the expiry of the term has not yet been settled.

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