

## CHANGES IN THE OBLIGATIONS AND CONTRACTS ACT

Certain amendments to the Obligations and Contracts Act which shall enter into force on **01.06.2021**, were promulgated in State Gazette No. 102/01.12.2020. The amendments concern the introduction of an absolute statutory limitation period for receivables against natural persons.

### I. ABSOLUTE STATUTORY LIMITATION PERIOD

According to the newly established Article 112 of the Obligations and Contracts Act, all receivables against natural persons are time-barred with the expiry of a 10-year statutory limitation period, regardless of the interruption of the latter, except when the obligation has been rescheduled or deferred.

### II. EXCEPTIONS

Under Article 112 of the Obligations and Contracts Act there is an exhaustive list of receivables, which are excluded from the scope of the absolute statutory limitation period:

- receivables from the commercial activity of sole proprietorships or natural persons that are partners in a company under Article 357
- receivables for tortuous interference
- receivables for unjust enrichment
- receivables for maintenance obligations
- receivables for remuneration
- indemnity receivables under the Employment Code
- receivables in relation to privatization
- receivables in relation to property, restituted in accordance with a legal act

### III. APPLICATION OF THE ABSOLUTE STATUTORY LIMITATION PERIOD

The provision of Article 115 of the Obligations and Contracts Act applies to the statutory limitation period. The article contains an exhaustive list of cases, in which the limitation period stops running, incl. legal entities' indemnity receivables against their directors, for the duration of the management relationship; for the duration of the court proceedings; between spouses, etc.

The provision of Article 118 of the Obligations and Contracts Act also applies to the absolute statutory limitation period. Pursuant to it, if the debtor fulfills their obligation after the expiry of the limitation period, they cannot claim back the amount paid, even if at the moment of payment they did not know that the limitation period had expired.

For existing situations, the absolute statutory limitation period under Article 112 begins to run from the day on which the receivables have become due. In pending enforcement proceedings, it begins to run from the first enforcement action and when enforcement proceedings have not been initiated – from the day of entry into force of the act in which the receivables are determined.

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