

ISSUES OF THE LEGAL STATUS OF A CORPORATION AS A LEGAL ENTITY IN THE ASPECT OF CRISIS CHANGES IN THE GLOBAL ECONOMY

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Abstract: *This paper reviews the legal status of a corporation as a legal entity in the aspect of crisis changes in the global economy. The relevance of the subject under consideration is determined by the susceptibility of the modern world economy to crisis impacts and the significant influence exerted by such changes on the course of economic development of individual states as a whole, as well as their economic systems and the corporations associated with the economies of individual countries. The significance of the legal status of corporations as legal entities as a whole and the impact of economic changes associated with the crisis on the legal aspects of the corporation activities are indicated. The main directions of corporate governance are determined by impact on them of the current crisis changes in the global economy. Changes in the legal status of a corporation as a legal entity, caused by crisis economic impacts, have a significant effect on the activities of both the corporation itself and all entities economically connected with it in a particular sphere of business activity. More important is the practical value of the paper in determining trends in the impact of global economic crises on the legal status of legal entities, which are corporations. The practical significance of the research seems to be in identifying and stating the main trends that affect the change in the legal status of corporations in the context of the impact of economic crises on them. The research of this study can be of significant practical importance for employees in the field of legal support for corporations, when identifying the main consequences of crises in the global economy on the current position of the corporation in the legal field of the country in which it is registered and conducts its business.*

Keywords: corporate law, economic crisis, legal field, legal status, legislative regulation, crisis changes.

The history of corporate law has deep roots. Even in the times of Ancient Greece and Ancient Rome, the first varieties of doing business and the initial regulatory and legal forms of corporate organization were established. In particular, T.V. Kashanina notes that initially, corporations originated in Greece and only then appeared in Ancient Rome¹. In fact, the first corporations did not significantly affect the course of economic development in these regions.

In matters of the legal status of corporations, there are significant differences regarding the definition of such. The laws of most countries of both the former USSR and countries of the far abroad do not contain a clear definition of the concept of a corporation and its main features. Literary sources traditionally consider the main features of non-profit organizations to be: specific legal ability, absence of desire for profit as the main incentive for activity, restriction of entrepreneurial activity, a ban on the distribution of

¹ T.V. Kashanina, *Corporate law*, Yurayt Higher education, Moscow, 2010.

profit between participants, a variety of legal forms of activity by non-profit organizations, as well as targeted distribution of property, which remains after the liquidation of the organization².

Transnational corporations are more resistant to the crisis that takes place in the global economy due to the global nature of their own activities.³ The stability of transnational corporations (hereinafter TNC) is determined by the achievement of a stable result in the long term of the activities of these organizations, manifested in stable profitability, the absence of sharp fluctuations in profitability indicators, especially in the direction of decreasing.

The stability of transnational corporations is increasing by international commercial organizations. The basis of the mechanism of this phenomenon is the principle of covering losses incurred by corporate units located in some countries with profits received by units of the same TNC in other countries. Minimization of losses of multinational corporations as a whole is ensured by the profit received by divisions of a transnational corporation in other countries⁴.

Crisis changes in the global economy lead to lower advertising costs, marketing costs associated with the study of demand, offers, as well as maintaining strong relationships with consumers are also reduced. Corporations, especially those working in the field of PR, take part less in exhibitions, conferences while the volume of advertising on the Internet in this area remains at the same level⁵.

The global economic crisis also has a significant impact on the legal status of a corporation as a legal entity in the context of crisis changes taking place in the global economy. As noted in studies on this issue, “a state corporation is capable of conducting entrepreneurial activities that contribute to the achievement of the tasks defined by the very creation of this corporation. Corporate property responsibility is also independent, in particular, it relates to obligations arising in the course of its activities to third parties. In particular, the Russian Federation is not liable for the obligations of corporation to the third parties”⁶. This means that in case of crisis changes in the world economy and the inability for a corporation to fulfil its contractual

² E.Yu. Valyavina, “Development of legislation on non-profit organizations”, in *Journal of Russian Law*, 2009, no. 1, p. 7-19.

³ O. Datsko, N. Nakonechna, O. Patsula, “Mechanisms for strengthening economic security of ukrainian citizens in the conditions of socio-political crisis and external challenges”, in *Social and Legal Studies*, 2021, no. 2(12), p. 130-140.

⁴ N.I. Kondratyev, “Features of the effectiveness of transnational corporations in a financial crisis”, in *Economics*, 2018, no. 30, p. 70-76.

⁵ N.I. Kondratyev, A.E. Tyutyukova, “Model of the impact of the financial crisis on the activities of transnational corporations”, in *Economics*, 2011, no. 34, p. 118-125.

⁶ V.P. Mozolin, “The legal status of a state corporation and the legal nature of ownership of its property”, in *Journal of Russian Law*, 2009, no. 1, p. 20-27.

obligations to third parties for economic reasons, all legal responsibility under the law rests directly with the corporation itself, which has the status of a legal entity. In addition, a corporation with a state form of ownership does not act as a subject of state financing. It should be considered a state organization, the functioning of which is carried out on the basis of self-financing. It is carried out through income derived from the activities of this organization. For example, in the system of modern law of Russia there is no autonomous nature of the right to own property of a state corporation. It represents “an integral component of the general system of property relations taking place in modern society and one of the elements of the mechanism that regulates these legal relations”⁷.

With the deterioration of the general economic situation, the stability of the financial and legal health of the corporation becomes high-priority⁸. This is confirmed by numerous cases of financial collapse and bankruptcy of corporations and smaller financial institutions during the global financial crisis in 2008 and subsequent years⁹. This makes it particularly important to research issues related to changes in the legal status of a corporation as a legal entity in the face of a sharp deterioration in the economic situation caused by crisis phenomena in the economy¹⁰. Further research in this direction will help to develop an understanding of the changes in the legal status of a corporation as a legal entity in the aspect of economic changes caused by economic crisis, as well as help determine the criteria for legal compliance of the legal status of modern corporations with rapidly changing economic conditions.

Literature review

Issues of the legal status of a corporation as a legal entity as a whole and in particular, in terms of the ongoing changes in the global economy, are widely covered in domestic and world economic and legal literature. A review of the work of modern research in the framework of this issue is important from the point of view of forming an assessment of the current system of views on the problem under study. At the same time, at present, researchers have ascertained the need for further research on this topic. So, Coombs W. T., Laufer D note: “Examples of crises involving multinational corporations

⁷ *Ibidem*.

⁸ A. Shuliar, A. Shuliar, V. Andriichuk, S. Omelkovich, V. Tkachuk, V. Latka, “Comparative assessment of economic traits of pigs of different breeds and breed combinations”, in *Scientific Horizons*, 2021, vol. 24, no. 2, p. 47-53.

⁹ M.O. Dumchikov, V.V. Pakhomov, “Ways to combat corruption abuses in the area of public finances”, in *Legal Horizons*, 2021, vol. 14, no. 2, p. 31-37.

¹⁰ I. Dunayev, “Modernization logics and principles of designing a new generation of regional economic policies: Findings for recent Ukraine and Eastern European countries in transition”, in A. Tavidze (Ed.) *Progress in Economics Research*, Nova Science Publishers, New York, 2018.

can be found in the media around the world on a regular basis. Despite the importance of this topic, the state of literature in the field of global crisis management remains under research”¹¹. Describing the start of the global economic crisis in 2008, A. Demirgüç-Kunt, M.S.M Peria and T. Tressel note: “The collapse of Lehman Brothers in September 2008 and subsequent events have had a huge impact on financial markets around the world. What started as a crisis in the USA quickly spread in both developed and developing countries”¹². According to many researchers on this issue, the global financial crisis, which gained momentum in the fall of 2008, significantly changed the economic situation on the planet, having a huge impact on corporate structures that existed before, especially in the context of changing their legal and juridical status¹³.

Research in the field of corporate law and changes in the legal status of corporations has been ongoing for a long time. T.V. Kashanina in her studies gives the wording of the concept of corporate norms. According to this author, corporate norms are “rules of conduct developed by corporations and applicable to their teams. It is corporations that stand out among all types of organizations, since the main task of their activity is to make a profit. It is by corporations that they actively use their right to publish standards aimed at making profit from doing business”¹⁴. Simply put, corporate law stems from fundamental corporate standards that require profit as the primary objective of corporate type organizations.¹⁵

On the other hand, even in the post-Soviet period, organizations having the legal status of a legal entity underwent significant divisions into commercial and non-commercial structures, which followed the division into economic and non-economic organizations. In this regard, V.A. Rakhmilovich expresses the opinion that “this division is not defined and conditional to some extent. It is not possible to carry out a consistent separation of legal entities as subjects of civil law into commercial and non-commercial. It must be assumed that this division is more likely to be related to tax legislation”¹⁶.

¹¹ W.T. Coombs, D. Laufer, “Global crisis management – Current research and future directions”, in *Journal of International Management*, 2018, vol. 24, no. 3, p. 199-203.

¹² *Ibidem*.

¹³ V.V. Kondratenko, I.A. Zaitsev, V.A. Lyubimov, L.V. Gomon, T.O. Pavlun, “Motivation of students upon physical education at the university of customs and finance”, in *Scientific Bulletin of Mukachevo State University. Series “Pedagogy and Psychology”*, 2021, vol. 7, no. 1, p. 121-128.

¹⁴ T.V. Kashanina, *Corporate law*, Yurayt Higher education, Moscow, 2010.

¹⁵ V. Morhun, “Improved financial bases of local government in the context of the decentralization, budget and tax policy of the state”, in *Law Journal of the National Academy of Internal Affairs*, 2021, vol. 19, no. 1, p. 25-32.

¹⁶ O.N. Sadikova, *Civil law of Russia*, Lawyer, Moscow, 2001; N.S. Kuznietsova, O.V. Petryshyn, D.S. Pylypenko, “The civil code of Ukraine - A reliable regulator of civil relations in civil society”, in *Global Journal of Comparative Law*, 2021, vol. 10, no. 1-2, p. 5-15

E.Yu. Valyavina, examining the issue of the activities of nonprofit organizations in the Russian Federation, notes: “nonprofit organizations are capable of carrying out one or more types of activities that do not contradict the norms of legislation of the Russian Federation”¹⁷. The statement is controversial, especially in the context of the claims that the main difference between a non-commercial structure and a commercial one is the clear orientation of the latter's activity towards profit, as the main objective of the activity. Thus, in the work of most researchers there is no unity regarding the issues of determining the main classification features of the legal status of corporations as legal entities.

There is also no consensus among researchers regarding issues of changing the legal status of corporations as subjects of legal law under the influence of the economic crisis. Thus, N.I. Kondratiev and A.E. Tyutyukova notice that “the financial crisis is characterized by structural macroeconomic changes: there is a decline in GDP, the rates of the Central Bank and commercial banking structures are rising, and inflation is growing. This causes a decrease in microeconomics, such as: a decrease in net and gross profit, a decrease in profitability, a decrease in overall solvency and financial stability”¹⁸. Changes in economic indicators have a direct impact on the legal status of corporations, due to the deterioration of their general financial situation and the prospect of bankruptcy or a change in ownership. At the same time, some researchers draw attention to the lack of clearly defined links between the economic crisis and the centralization of capital, which directly determines the particular legal status of corporations. Thus, E. Brancaccio, R. Giammetti, M. Lopreite and M. Puliga in a joint work note: “Neither the existence of a global trend towards the centralization of capital, theorized by Marx, nor the possible links between the economic crisis and the centralization of capital have been confirmed by empirical studies”¹⁹. This means that, according to the researchers, there is no clear, pronounced relationship between the crisis economic changes and the defining features of the legal status of the corporation of centralization of finance in corporate structures.

Issues of the legal status of corporations as subjects of legal law in the context of changes in the economy caused by crisis trends have not yet been fully studied by researchers and require additional study in economic and legal studies.

¹⁷ E.Yu. Valyavina, “Development of legislation on non-profit organizations”, *Journal of Russian Law*, 2009, no. 1, p. 7-19.

¹⁸ N.I. Kondratyev, A.E. Tyutyukova, “Model of the impact of the financial crisis on the activities of transnational corporations”, in *Economics*, 2011, no. 34, p. 118-125; O.I. Kulyk, “Economic regime of mining”, in *Legal Horizons*, 2021, vol. 14, no. 2, p. 98-104.

¹⁹ E. Brancaccio, R. Giammetti, M. Lopreite, M. Puliga, “Centralization of capital and financial crisis: A global network analysis of corporate control”, in *Structural Change and Economic Dynamics*, 2018, no. 45, p. 94-104.

Materials and methods

The study sets the task of considering the issues of the legal status of a corporation as a subject of legal law in the aspect of changes in the global economy caused by crisis phenomena. The main aspects of the study are identified and a methodology for their consideration is proposed.

The research methodology is based on a combination of a quantitative and qualitative approach to the study of corporate law and the impact on the activities of corporations and their legal status of crisis processes in the global economy. Much attention is paid to studying the work of domestic and foreign researchers on this topic: journal and book publications related to corporate governance issues, researches of the legal aspects of corporations and the impact of economic crises on the legal corporate field. An assessment is given of the activities of corporations from the standpoint of the historical development of this formation, especially the formation of the legal field of corporations and their legal status in Russia and abroad. The main body of information was taken from publications in foreign sources of recent years, which allows us to summarize the fresh experience of research on issues addressed by foreign authors. In order to facilitate the perception and create maximum conditions for an objective, high-quality perception of the studied information, the materials of the mentioned publications were translated into English. A comprehensive analysis of the entire array of collected data contributes to the creation of an objective picture of the research and the formation of appropriate conditions for independent conclusions. Based on the quantitative analysis of the data, a qualitative analysis of the collected materials is carried out, the results of the research and conclusions on the work results are formed. The main laws affecting changes in the legal field of a corporation in the aspect of the crisis changes occurring in the global economy are identified and ascertained. In general, the methodology of this study is aimed at obtaining the most objective picture of the impact of economic crisis changes both on the activities of corporations as a whole and on their legal status in the context of global economic crises. The generalization of these studies allows us to create an objective picture of scientific analysis based on the facts presented in the research papers and obtained in the course of an independent study of the issue under consideration. The results of the study can be of significant importance for subsequent scientific developments in the field of corporate law, which have the task of studying various aspects of corporate life in the context of crisis phenomena in the global economy. In addition, the practical results obtained during the study will add understanding

to the issues of internal corporate relations²⁰, corporate culture, as well as the peculiarities of changes in the legal foundations of corporations in the period of significant changes in their practical activities caused by the impact of economic crises.²¹

Results and discussion

Periodically recurring crises are an integral element of the global economy. In 2007-2008, the mortgage crisis in the United States led to the bankruptcy of a number of banks and a fall in stock prices, which led to crisis in the global economy. Corporations in various countries are also exposed to the effects of crisis phenomena, including in the legal aspect. In particular, for corporations of a transnational scale, acute economic crises often turn into changes in exchange rates, which are not always beneficial for their economic condition²². With regard to the legal status of modern corporations in the context of a developing economic crisis, significant changes to this may take place due to the following circumstances:

1. Bankruptcy.
2. Change in ownership.
3. Changes in the composition of the founders.

Bankruptcy of corporations, unfortunately, is not uncommon in the face of growing crisis of the global economy. The corporation conducts its business on the basis of the constituent documents it has; in the event of bankruptcy, additional regulatory acts are compiled in accordance with the laws of the country in which the corporation operates²³. So, for example, in Russia, the process of bankruptcy of legal entities, to which corporations belong, includes the following main stages: supervision, financial recovery, external management, bankruptcy proceedings, settlement (available at any stage of the bankruptcy procedure)²⁴. Among the corporations affected by the effects of

²⁰ V.V. Kukharyk, T. Nübling, "The role of economic diplomacy in the system of modern international economic relations", in *Scientific Bulletin of Mukachevo State University. Series "Economics"*, 2021, vol. 8, no. 2, p. 35-44.

²¹ A. Kolosovich, "Organizational (corporate) culture as a factor of professional interaction", in *Social and Legal Studies*, 2021, no. 3, p. 189-197.

²² N.I. Kondratyev, "Features of the effectiveness of transnational corporations in a financial crisis", in *Economics*, 2018, no. 30, p. 70-76.

²³ S. Kalchenko, N. Trusova, D. Hrybova, B. Serhii, "The small and large business interaction within national economy's gross added value reproduction in Ukraine", in *Oeconomia Copernicana*, 2018, vol. 9, no. 3, p. 403-417.

²⁴ A. Demirgüç-Kunt, M.S.M. Peria, T. Tressel, "The global financial crisis and the capital structure of firms: Was the impact more severe among SMEs and non-listed firms?", in *Journal of Corporate Finance*, 2020, no. 60, p. 205-212; V.S. Soha, "Bankruptcy of corporations in the Russian Federation and Germany: A comparative analysis and forecast for the near future", in *Student Science Issues*, 2017, no. 15, p. 28-33.

the global financial crisis, the largest number of bankruptcies are in limited liability companies. The requirements for the volume of authorized capital in relation to LLC are the highest, while its members are liable with the property of the organization – such requirements do not apply to their own property. LLCs going through the bankruptcy procedure of a corporation with a form of ownership are less trusted by partners because they have less provision with tangible assets compared to corporations with a different form of ownership²⁵.

Changes in the form of ownership of a corporation in times of crisis in the global economy are often associated with the intention of management to minimize costs in times of crisis²⁶. This procedure leads to a change in the charter documents of the organization, and, consequently, its current position within the current legal field of the country in which the corporation is registered. The most frequent are cases of changes in the form of ownership of an existing corporation to a limited liability company, due to the fact that, as mentioned above, the founders of such an organization are not responsible for the results of the activities of the structure they manage with their personal property²⁷.

Changes in the composition of the founders of the corporation and the related changes in the legal status of these organizations are directly related to the reorganization of the activities of these entities of a legal form of ownership. World economic crises have many examples of withdrawal of members of corporate leadership from management bodies of these structures, with the transfer of their responsibilities to other individuals. At the same time, changes within the legal framework do not relate to the core business of the corporation, determined by its kind of activity and legal responsibility for obligations undertaken by management regarding the kind of activity of this structure.

Issues of the legal status of a corporation as a legal entity in terms of changes in the global economic situation in a crisis are not limited solely to the

²⁵ B. Duraković, A. Cosic, “Impact of quality and innovation strategies on business performance of Bosnian B2B and B2C companies”, in *Sustainable Engineering and Innovation*, 2019, vol. 1, no. 1, p. 24-42.

²⁶ O.V. Prokopenko, M.D. Domashenko, V.Y. Shkola, “Management features of economic security in foreign economic activity of Ukrainian machine-building enterprises”, in *Actual Problems of Economics*, 2014, vol. 160, no. 1, p. 188-194.

²⁷ S.A. Chekhovskaya, “Modern development of corporate legislation”, in *Journal of the Higher School of Economics*, 2016, no. 2, p. 74-86; O.S. Ivashkina, “Legal aspects of the status of a state corporation”, in *Bulletin of the Far Eastern Federal University*, 2016, no. 2, p. 58-62; A. Kuckertz, L. Brändle, A. Gaudig, S. Hinderer, “Start-ups in times of crisis – A rapid response to the COVID-19 pandemic”, in *Journal of Business Venturing Insights*, 2020, no. 13, p. 75-82; V.F. Gorban, A.O. Andreev, V.O. Stolbovyi, S.O. Firstov, M.V. Karpets, “Influence of the lattice parameter on physical properties of high-entropy coatings”, in *Scientific Herald of Uzhhorod University. Series “Physics”*, 2021, no. 49, p. 61-65; J. Simon, “Ten years of research – What have we learnt since the financial crisis?”, in *Economic Analysis and Policy*, 2019, no. 64, p. 152-158.

aspects indicated above. In this regard, it should be noted that, for example, in Russia, the process of economic stabilization has not been finalized and therefore a short-term correction of all indicators affecting the economic situation is impossible²⁸. In addition, the laws of most countries in Europe, Asia and North and South America do not yet contain clear provisions that determine the sequence of amendments to the legal status of corporations affected by the economic crisis. In other words, additional efforts are required to develop a clear legal concept for determining the status of corporations in times of crisis in the global economy²⁹.

Separately, we should consider transnational corporations and their activities. In the period from 2001 to 2006, there were several collapses of companies that had previously had a solid financial foundation and became known as fairly large and financially sound organizations. This period includes the conduct of a special survey of directors of large corporations, confirming their intention to spend more time working on discussing the improvement of their companies, rather than assessing the degree of risk of their subsequent activities³⁰. To solve such problems, the leaders of transnational corporations³¹ specifically developed management strategies that can effectively overcome economic crises in their acute phase³².

As mentioned above, legislative acts indicate that a corporation acts solely on the basis of constituent documents, while state-owned corporations are an exception to this rule. The special status of these organizations creates additional problems for identifying them as structures of a legal form of ownership. This significantly complicates the resolution of issues related to the legal status of these organizations and its changes within the framework of existing law, in relation to the activities of the corporation as a whole and

²⁸ Y.V. Kerniakevych-Tanasiichuk, V.S. Sezonov, I.M. Nychytailo, M.A. Savchuk, I.V. Tsareva, "Problems of forensic identification of handwriting in forensic examination", in *Journal of the National Academy of Legal Sciences of Ukraine*, 2021, vol. 28, no. 1, p. 195–204; K.A. Yushchenko, B.O. Zaderii, I.S. Gakh, G.V. Zviagintseva, "Welding dissimilar high-strength nickel alloys in poly- and single-crystal combinations", in *Paton Welding Journal*, 2021, no. 6, p. 12-18.

²⁹ S. Lykholat, "Determination of the influence of the economic cycle stages on the innovative potential", in *Economics, Entrepreneurship, Management*, 2021, vol. 8, no. 1, p. 20-34.

³⁰ N.I. Kondratyev, "Features of the effectiveness of transnational corporations in a financial crisis", in *Economics*, 2018, no. 30, p. 70-76; L.R. Prus, "Customs management: International supply chains maintenance and implementation of a customs policy to counter the COVID-19 crisis", in *Scientific Bulletin of Mukachevo State University. Series "Economics"*, 2021, vol. 8, no. 1, p. 130-143.

³¹ M.V. Shulga, G.S. Korniyenko, I.V. Yakoviyk, "Legal support for the activities of agricultural transnational corporations in Ukraine", in *Journal of the National Academy of Legal Sciences of Ukraine*, 2021, vol. 28, no. 2, p. 234-242.

³² T. Dziuba, "Information model for improving accounting and analytical support for economic potential management", in *Scientific Horizons*, 2021, vol. 24, no. 2, p. 108-119.

discussion of all problems associated with the consequences of economic crises on the activities of state corporations.

In conclusion, it should be noted that today there are no clear legislative norms that make it possible to identify typical criteria for assessing the activities of corporations in the context of the economic crisis and the related changes in the legal status of corporations in a crisis. A lot depends on the individual characteristics of each particular organization, the policies of its leadership, the scope of this structure and general economic trends in this area.³³ The observed economic crises have a different impact on the results of corporations, especially their legal status, their common place in the system of legally defined corporate law today³⁴. Further research of this issue will help to complement the overall picture and enrich existing ideas about the legal nature of corporations and their changes in crisis.

Issues of the legal status of corporations as legal entities in terms of changes that take place during economic crises are largely debatable.³⁵ The reason for this state of affairs lies both in the absence to this day of a clear legislative base for assessing the concepts of corporation and corporate law, and in the differences in the views of the majority of researchers on the assessment of changes in the legal status of corporations that occur when these crisis structures are affected by the activity changes in the global economy³⁶. Describing the concept of corporate law and related legal norms, T.V. Kashanina notes “legal certainty is characterized by formal certainty. It is expressed in that the precepts of law are embodied in written form and in legal documents, in addition, legal norms are concise and clear in their content”³⁷. Other researchers wish to focus on corporate performance during economic crisis, noting the direct relationship between corporate performance and its legal status. Thus, N.I. Kondratiev and A.E. Tyutyukova note: “financial crises have both positive and negative effects on the activities of corporations and

³³ J.W. Mayo, “Vertical integration and the evolution of audiovisual services: Economic policy implications for Brazil”, in *Revista De Direito, Estado e Telecomunicacoes*, 2020, vol. 12, no. 1, p. 1-8.

³⁴ D. Tsuruta, “Working capital management during the global financial crisis: Evidence from Japan”, in *Japan and the World Economy*, 2019, no. 49, p. 206-219; G.S. Dhanesh, K. Sriramesh, “Culture and Crisis Communication: Nestle India's Maggi Noodles Case”, in *Journal of International Management*, 2018, vol. 24, no. 3, p. 204-214; I. Mirela, D. Csingina, M. Sorin, “FDI in Romania between EU and the Global Economic Crisis”, in *Procedia Economics and Finance*, 2018, no. 6, p. 644-651; M. Kalimullina, “Islamic finance in Russia: A market review and the legal environment”, in *Global Finance Journal*, 2020, no. 5, p. 504-511.

³⁵ D. Kamenskyi, “Mechanisms for exempting corporations from criminal liability for antitrust violations: comparative legal aspect”, in *Scientific Journal of the National Academy of Internal Affairs*, 2021, vol. 117, no. 4, 69-75.

³⁶ V. Chupyra, “Regional Alliances between states: historical review and future projections for Ukraine”, in *Foreign Affairs*, 2021, no. 3-4, p. 9-14.

³⁷ T.V. Kashanina, *Corporate law*, Yurayt Higher education, Moscow, 2010.

their legal status”³⁸. Further, the authors note "the current situation in the global financial markets, due to the impact of the economic crisis, negatively affects the ability of corporations to receive new loans, which does not allow maintaining activity at a predetermined level"³⁹. In relation to Russian realities, the authors note that the current collapse of the country's stock market affects corporations in the most negative way.

A number of foreign authors in their studies pay attention to the relationship between the harmonization of legal relations in connection to corporate activities with the economic activities of these organizations.⁴⁰ In particular, F. Bremusa and T. Kliatskova pay attention to the fact that: “Firstly, legal harmonization contributes to portfolio holdings. Secondly, differences in institutional quality are important, especially for cross-border debt obligations. Thirdly, the relationship between foreign investment and harmonization varies significantly between sectors: non-banking financial corporations, which account for a large share of portfolio positions, are more responsive to institutional harmonization than banks and the non-financial private sector”⁴¹. According to the authors, the harmonization of legal relations associated with the activities of various types of corporations, determines the development of their economic activities. Current economic crises have an indirect effect on the functioning of corporations and do not cause significant changes in their legal status.

In turn, A. Cukierman, when assessing the prospects for financial equilibrium in the context of the economic crisis and the theoretical aspects of the interaction of the economic, political and financial aspects of corporations in terms of crisis changes in the global economy, notes that the acute and subsequent, more moderate phases of the global economic crisis do not have much – there should be no tangible destructive effect on the activities of corporations and their legal status only if these organizations have a clearly defined legal structure, as well as the legal framework governing their activities specified in the framework of existing legislation⁴². According to this author, any significant influence on the activities of corporations and their legal status

³⁸ N.I. Kondratyev, A.E. Tyutyukova, “Model of the impact of the financial crisis on the activities of transnational corporations”, in *Economics*, 2011, no. 34, p. 118-125.

³⁹ *Ibidem*.

⁴⁰ G.P. Cesaretti, D. Covino, I.P. Borrelli, I. Viola, “Sustainability, territories and circular economy”, in *Rivista Di Studi Sulla Sostenibilita*, 2020, no. 1, p. 11-28.

⁴¹ F. Bremusa, T. Kliatskova, “Legal harmonization, institutional quality, and countries’ external positions: A sectoral analysis”, in *Journal Pre-Proof*, 2020, no. 6, p. 25-34.

⁴² A. Cukierman, “A retrospective on the subprime crisis and its aftermath ten years after Lehman’s collapse”, in *Economic Systems*, 2019, vol. 43, no. 3–4, p. 125-132.

cannot be seen if the life of these organizations lies strictly within the legal framework of the country in which the corporation is registered.⁴³

Therefore, it is possible to note significant differences in the assessments of research scientists who consider the legal status of corporations as legal entities, as well as the degree of influence on corporations as legal entities of crisis economic changes. This fact emphasizes the need for further research within the framework of the topic under consideration in order to be able to develop a unified system of views over time regarding the legal status of corporate structures and related issues of the impact of economic crises on corporations.

Conclusions

The study of the legal status of corporations as legal entities in the aspect of crisis changes in the global economy led to the following conclusions. Firstly, the issues of changing the legal status of corporations as legal entities and the related aspects of changes in the activities of corporate organizations in connection with the economic crisis, despite the fact that they are sufficiently well researched in the specialized literature, do not have common criteria for assessing these aspects by the authors conducting research in this industry. The reasons are partly due to the imperfection of the legislature base of most countries of Europe, Asia, North and South America in the context of assessing issues of corporate law and the legal status of corporations. There is no unity among researchers in assessing the degree of crisis impact of changes in the global economy both on the activities of corporations themselves and on their legal status. Secondly, it was found that most changes in the legal status of corporations, especially under the influence of crisis economic processes, are associated with the bankruptcy of corporations as legal entities. The bankruptcy procedure itself, as a rule, leads to the liquidation of the corporation as a business and legal entity and in this regard affects the position of the corporation in the legal field of the state in which it is registered. Thirdly, the research revealed a much lesser susceptibility of transnational corporations to the current economic crisis due to the peculiarities of their activities related to the possibility of covering the expenses of the branches of these organizations located in some countries with profits derived from the activities of the branches of these organizations in other countries. The existing financial diversification allows optimizing the direction of financial flows and creating conditions under which the legal status of transnational corporations during the economic crisis does not have any significant impact. Fourth, the problems of the legal status of corporations in times of crisis are often

⁴³ B. Toelstede, "The absence of policing and the political economy of contribution and defection", in *Democracy and Security*, 2020, vol. 16, no. 4, p. 289-308.

associated with the peculiarities of their activities, consisting in the work of a significant part of such organizations (especially in the Russian Federation and post-Soviet countries) in the shadow sector of the economy and the related inability to properly evaluate the extent of their present financial situation and compliance of their taxation level with real economic indicators. This situation significantly complicates the evaluation of the real legal status of the corporation and the role of this organization in the economic sector where this structure operates.