States in private law relations of an international character. In the international financial system, states actively enter into private law relations of an international nature. These relations are governed primarily by the internal law of each state, including private international law (PIL). States (state bodies) take loans from foreign private banks, issue government bonds on foreign (international) stock exchanges, buy and sell foreign currency on the international private currency market. The states participate in concession relations, in the creation of joint ventures abroad, in investment projects.

When a state (public person) enters into civil law relations of an international nature, the legal relationship becomes “diagonal”: its parties are initially in different “weight categories”; there is a problem of ensuring the legal equality of the parties. This problem directly affects such properties, features of the state as immunity, sovereignty, jurisdiction. The state, as a public person, is protected by state immunity from claims and lawsuits, while a private counterparty is not. Western legal theory for situations of "diagonal" legal relations has developed the doctrine of "split immunity" ("functional immunity"). Its essence is that a state entering into a civil law contract with a foreign individual/legal entity in order to exercise the functions of sovereignty (for example, the opening of a bank account by an embassy in a foreign bank), enjoys the said immunities. Immunity is presumed unless the parties agree otherwise. At the same time, if the state enters into such an agreement with a private person for commercial purposes, then it should be equated to a legal entity and, accordingly, should not enjoy immunities. In these cases, the absence of immunity is presumed, the waiver of it, unless the parties agree otherwise. Such a presumption is considered by many states to be an international custom; This custom was reinforced by the respective states by their internal laws. The U.S. State Immunities Act of 1976 states that immunity will not be granted "when the cause of action is a commercial activity carried on by a foreign State...".

Judicial precedent in the USA. A more detailed understanding of the concept of functional immunity is given by a judicial precedent that took place in a US court in 1987 in the case: Carl Marks and Co., Inc. v. USSR. The essence of the matter is this. In March 1982, Karl Marx & Co., Inc. and two individuals residing in New York filed two suits against the USSR in the federal district court of New York for a total amount of about 625 million dollars. The roots of the lawsuits go far back in history. In 1916, the government of the Russian Empire made two issues of securities in the United States: one with bonds with a 5-year term in the amount of 25 million dollars out of 5.5% per annum (interest had to be paid every six months during the period 1917-1921) ; the second - certificates through a consortium of American banks in the amount of 50 million dollars out of 6.5% (interest was to be paid in the period 1917-1919). After the seizure of power in Russia by the Bolsheviks in October 1917, the formed Government of Soviet Russia issued a Decree of January 21, 1918, which canceled all the debts of the previous Government (although some payments were made). The American plaintiffs put forward the following demands on their own behalf and on behalf of all holders of bonds and certificates: • recognize the USSR as the legal successor of the Russian Empire and the Provisional Government for the above loans; • recognize the Decree on the Cancellation of Debts as a violation of international law, since there was no compensation; • recognize the USSR as by which all debts of the previous Government were canceled (although some payments were made). The American plaintiffs put forward the following demands on their own behalf and on behalf of all holders of bonds and certificates: • recognize the USSR as the legal successor of the Russian Empire and the Provisional Government for the above loans; • recognize the Decree on the Cancellation of Debts as a violation of international law, since there was no compensation; • recognize the USSR as by which all debts of the previous Government were canceled (although some payments were made). The American plaintiffs put forward the following demands on their own behalf and on behalf of all holders of bonds and certificates: • recognize the USSR as the legal

successor of the Russian Empire and the Provisional Government for the above loans; • recognize the Decree on the Cancellation of Debts as a violation of international law, since there was no compensation; • recognize the USSR asa foreign country subject to procedural notice under the U.S. Foreign Immunity Act of 1976; • Recognize that the issuance of loans constituted a "business activity of a foreign country in the United States" within the meaning of the 1976 Act, whereby a US court would have jurisdiction in this case under the exception to foreign country immunity. The Soviet Union ignored the subpoena as a defendant on the basis of its position of absolute immunity from foreign jurisdiction, and its representative did not participate in the consideration of the case. The District Court in New York in March 1986 issued two judgments in absentia, according to which the USSR was obliged to pay bondholders about 56 million dollars, and certificate holders - more than 192 million dollars. Judgments were sent to the USSR Foreign Ministry with a warning about the possibility of seizing the property of the Soviet state. The note stated that the Soviet Union could hire an American lawyer and apply to the US court for review or cancellation of the decisions. In a response note, the USSR Foreign Ministry refused to implement the decisions, citing absolute immunity. At the same time, it was noted that any attempt to enforce decisions could have the most serious consequences for relations between the USSR and the USA.

Despite the formally tough position, the Soviet side hired an American lawyer and filed a petition with the court to annul the absentee decisions and dismiss the claim. From a procedural point of view, the entry of the USSR into the case was carried out in the manner of the so-called special application to the court (special appearance), i.e. without prejudice to the legal position of the USSR, without waiving immunity. The position of the USSR was as follows: • The USSR adheres to the principle of absolute immunity of the state from the jurisdiction of foreign courts (which was enshrined in the Fundamentals of Civil Legislation of the USSR and the Union Republics of 1962, Art. 61); • the basis for setting aside the decisions of the American court is their nullity, since the decisions were made in the absence of jurisdiction; • debt on loans formed before 1952, when the US State Department announced the adoption by the executive branch of the doctrine of limited state immunity (based on the so-called "Tate letter"); • The US Foreign Immunity Act of 1976, which legislated the doctrine of limited immunity, is not retroactive, and therefore the Soviet Union, even under US law, enjoyed absolute immunity during the period of debt indebtedness. The court, having considered the materials of the case, by a decision of August 4, 1987, canceled its decisions in absentia as void due to the lack of jurisdiction, although it recognized the USSR as the legal successor of the former governments of Russia. It was also recognized that the issuance of loans is a "commercial activity" of the state by virtue of the US Act of 1976. This Law has no retroactive effect and applies only to relations that have arisen after its adoption. The plaintiffs' appeal was dismissed by the US Court of Appeals. The US Supreme Court also denied the plaintiffs a review of their decisions.

Jurisdiction of states in the IFS. Jurisdiction is a manifestation of sovereignty, a set of powers of the state, state bodies to consider and resolve cases in accordance with their internal law. Jurisdiction is also understood as the sphere of relations, which are subject to the powers of the state, its bodies. There are several types of jurisdiction depending on one or another criterion:

• by the nature of power - legislative, executive, judicial; • by scope - national (territorial and personal), extraterritorial; • by volume - full, limited. Within its territory, the state exercises full jurisdiction, i.e. has the right to prescribe behavior to subjects of law and to support prescriptions with all legal means of state coercion. Citizens and legal entities in the national territory (including foreign persons) are under the full jurisdiction of the state. Exceptions are possible only for cases where the relevant international treaties provide otherwise. Personal(national) jurisdiction is

exercised by a state over its citizens when they are outside its territory, such as on the high seas. The state's jurisdiction over its citizens abroad is limited. If a citizen is in the territory of a foreign state, then he falls within the jurisdiction of this foreign state and, therefore, is in two jurisdictions at the same time - his state and the state of residence. However, the state of nationality will be able to exercise its jurisdiction only when the citizen returns to the national territory (unless otherwise agreed between the states). At present, the practice of helping states to each other under treaties in exercising their jurisdiction on the territory of a foreign state is widespread. Competing jurisdiction situations often arise: two or more states claim their own jurisdiction in the consideration and resolution of the case. This problem is solved on the basis of international treaties and/or customs. The state is limited in the exercise of its jurisdiction, in the use of coercive measures in the spaces of its continental shelf, exclusive economic zone. The state is limited in exercising its jurisdiction over state property abroad (including financial resources, such as parts of the state reserve). As a rule, such issues are resolved by an international treaty. Extraterritorial jurisdiction occurs when a state extends (attempts to extend) its jurisdiction and coercive measures beyond its territory. Often, states negotiate the issues of exercising extraterritorial jurisdiction and come to an agreement. Extraterritorial jurisdiction, therefore, may not conflict with the sovereignty of other states, but may also run counter to their sovereignty. It follows that legitimate (from the point of view of international law) and illegal extraterritorial jurisdiction are possible. The actions of the state on its own territory can also have extraterritorial consequences, for example, when the state imposes restrictions on the convertibility of the national currency into a foreign one, on the transfer of the national currency abroad, etc. The United States, for example, which are supporters of the freedom of cross-border movement of currencies and capital, in the 60-70s. The 20th century introduced a special equalization tax (interest equalization tax) on the purchase of foreign securities by US residents, which limited the purchase of foreign securities by Americans.

State bodies with competence in the financial sector. To manage the internal financial system is, as a rule, the constitutional prerogative of the highest (central) bodies of representative and executive power of the state. They manage finance, budget, taxes, the monetary system, organize and carry out insurance, currency circulation, customs regulation, emission. Depending on the degree of participation in financial activities, government bodies can be divided into two groups: • bodies for which activities in the financial sector are only a part of their main functions and tasks (for example, the Ministry of Internal Affairs, etc.); • bodies of special competence, for which financial activity is the main one (for example, the Ministry of Finance). In most modern states, the main volume of work in the field of financial activity is carried out by the ministry of finance, which heads the system of financial authorities. In federal states, the relevant regional structures are subordinate to the federal ministry of finance.