It is a much more serious question whether and in what circumstances a State Corporation and the State owning or controlling it can be identified for the purpose of liability or, in other words, for the purpose of piercing the corporate veil. The rule, accepted by learned writers, undoubtedly is that the very fact of incorporation isolates the Corporation from the State. It is by no means only the law of the Socialist countries that justifies the general conclusion that "the state is not liable for the obligations of foreign trade corporations or for those of other enterprises and that the enterprises are not liable for the obligations of other enterprises or organizations or for those of the State."

[Subsequently set out in detail.]

Referring Principles:

X.2 - Piercing the corporate veil