

Amendments to the Russian Tax Code, autumn 2025: the second reading

FAO managers, financial directors, chief accountants and tax managers

Pepeliaev Group advises that the government's **draft law No. 1026190-8 amending the Russian Tax Code and other laws has been passed in the key second reading.**

Earlier, we reviewed the key changes introduced by the draft law:

1. general issues of **calculating and paying taxes**;
2. collecting **individual taxes**;
3. applying investment **tax deductions** and other **benefits**;
4. applying **information technology benefits**;
5. **tax administration**;
6. applying **tax monitoring**.

In the second reading, certain provisions of the draft law were excluded and clarified, while several additions were also made.

1. The prohibition on carrying forward expenses and deductions to a later period in which the tax rate has increased will not take effect retroactively. Provisions on postponing the deadline for paying taxes to an earlier day when the deadline falls on a day off have been excluded from the draft law.

2. Technological collection is being introduced from products containing an electronic component base (electronic modules), and from the component base itself (modules themselves). The payment meets all the criteria of a tax, but is being introduced outside the framework of the Russian Tax Code¹. The fee will be collected by the Russian Federal Tax Service, but it is the Russian Ministry of Industry and Trade that will clarify the procedure of how it is collected. The law has set only the maximum amount of payment, while the specific product groups and rates will be set by the Russian Government. The fee is expected to start being charged in September 2026.

¹ Federal Law No. 488-FZ dated December 31, 2014 "On Industrial Policy in the Russian Federation" is being amended.

3. For certain types of income that are subject to withholding tax, tax exemptions have been extended for various periods under the conditions of international treaties on taxation being suspended. The taxation has been clarified of international holding companies, as have interest and penalties of foreign organisations that have been sanctioned and are controlled by foreign states.

A condition is being introduced to exempt controlled foreign companies (CFC) that are holding or sub-holding companies from profit tax: the profit tax rate in the country of incorporation is at least 15%.

4. The exemption for Russian software from VAT will be retained, with the provision that abolished it being deleted from the draft law.

5. In addition to the extraterritorial examination of complaints by higher authorities, extraterritorial desk audits by any inspectorate authorised the Russian Federal Tax Service are being introduced. Documents and explanations for such an audit can be submitted to the inspectorate to which the reports themselves are submitted. Seizure will not be applied during monitoring, but it will be allowed in additional tax control measures, as well as in an inspection. It will be possible to appeal against the actions, an omission or the decisions of tax authorities located outside the taxpayer's address or place of residence, with such appeal being made to the commercial court at such address or place of residence.

The accrual of penalties at an increased rate from the 31st to the 90th day of a delay has been extended for another year.

What to think about, what to do

With respect to a number of issues, the new developments remain unclear and pose risks to business. It is worth preparing for such new developments to be introduced in their current form. There is merely a theoretical probability of them being clarified in the near future, even in favour of taxpayers.

Help from your adviser

We are ready to advise you on any practical issues relating to the amendments discussed above to the Russian Tax Code.

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