

Amendments to the Russian Tax Code, autumn 2026: the procedure for accounting for and applying the bonus deduction on R&D expenses

FAO senior officers, finance directors, chief accountants and tax managers

Pepeliaev Group advises that the official consultation stage has begun for a draft law¹ simplifying the procedure for accounting for taxpayers' costs on and applying the bonus deduction to research and development (R&D). The draft law is being prepared by the Russian Ministry of Economic Development.

According to the explanatory note, the draft law is intended to address several well-known issues relating to how R&D costs are booked and how the bonus deduction is applied. Currently, this deduction takes the form of a coefficient of 2 applied to the amount of costs incurred. Under the draft law, there would be a "separate indicator" which, once the costs have been recognised as they are incurred, allows them to be deducted again once the work has been completed².

The solutions contained in the draft law concerning the procedure for recognising costs and applying the deduction deserve support, despite certain legal and technical issues with some wording. However, the procedural solutions may prove not to be workable unless the fundamental question is resolved of the criteria for R&D. Although the draft law improves the existing rules in this respect, it may prove difficult to apply in practice.

1. Criteria for R&D

In established enforcement practice, excessive requirements are often imposed on R&D to obtain a result in the form of knowledge that possesses absolute novelty from a scientific perspective. This effectively reduces R&D to fundamental scientific research. In the business world, however, the value of R&D lies in the practical application of knowledge.

¹ Project ID: 171432. URL: <https://regulation.gov.ru/projects/171432/>

² See: V. S. Kozlova, "Five barriers to applying the R&D benefit", *Nalogoved*, 2026, No. 4, pp. 33–41.

The explanatory note states that, in order to counter a restrictive interpretation of what constitutes R&D, the novelty criterion has been clarified by referring to the taxpayer's activities.

However, this clarification is already present in article 262(1) of the Russian Tax Code and it has not prevented the restrictive interpretation of the criterion.

The draft law then proposes stricter criteria. It is proposed to assess the novelty of a product (goods, work or services) according to whether it is produced in the country (novelty at the national level), while the novelty of a process (method) would be assessed according to the type of activity (novelty at the sector level). The explanatory note does not make it clear why different levels of novelty are used for a product and a process.

It is proposed that publicly available data be used to assess novelty. In business, however, R&D results are often protected as know-how and are not publicly available. This creates a potential conflict, whereby R&D results may appear novel based on publicly available information while, in reality, reproducing know-how already used by other parties. It may be preferable to state simply that solutions are new if they are not publicly available.

To distinguish R&D from routine information-gathering practices (such as searching existing sources for data or testing finished products), the draft law proposes a criterion based on whether the work is aimed at resolving scientific or technical uncertainty as to whether a result is achievable or how it can be achieved. Although international practice uses a broader range of criteria³, this criterion should be recognised as fundamental.

The third criterion proposed in the draft law is for there to be technical specifications (or a program) describing the desired result, the above-mentioned uncertainty, the hypotheses and/or options to be verified, and the actions to verify them. On the whole, this requirement can be met, but it is questionable whether such a degree of formalisation is necessary, particularly as regards the description of hypotheses and/or options.

2. Composition of R&D costs

Taking account of current technological changes, the draft law recognises payments for computing capacity and cloud data storage as a separate category of R&D costs.

3. The period for recognising R&D costs

Under the current procedure, where R&D is carried out in-house, costs (employee remuneration, depreciation of equipment and so on) may be recognised to the extent that the R&D or individual stages of it are completed. This is later than they

³ Frascati Manual: Guidelines for Collecting and Reporting Data on Research and Experimental Development, published by the OECD in 2015 (paras. 2.9 and 2.17).

would be recognised under the general rules applicable with R&D. If an intangible asset is created as a result of R&D, then it will be depreciated, albeit without restoring the costs previously recognised.

The draft law allows R&D costs to be accounted for as they are incurred, specifying that they are treated as indirect expenses. Where an intangible asset is obtained as a result of R&D, there will be no need to restore the costs.

4. A “separate indicator” being deducted instead of the coefficient of 2

As the procedure for recognising R&D costs changes, so does the procedure for applying the bonus deduction of expenses above the costs incurred. Currently, this deduction is applied by multiplying the costs using a coefficient of 2.

The draft law provides for a “separate indicator” equal to the R&D costs. This amount may be treated as a non-operating expense after the work has been completed or, if the work results in an intangible asset, included in its initial cost, which will be depreciated.

Instead of a “white list” of the work eligible for the bonus deduction, there will be a list of exclusions for which the deduction will not be available.

The requirements for confirming R&D for the purposes of the bonus deduction will be relaxed. Instead of a strictly formalised report complying with the GOST 7.32-2017 state standard, it will be possible to submit basic information about the R&D.

Currently, a taxpayer can choose whether to undergo an R&D expert review commissioned by the tax authority or to submit by itself the R&D results for an expert review⁴ by an organisation included in the list maintained by the Russian Ministry of Science and Higher Education, using the Unified State Information System for Accounting for Research, Development and Technological Works (referred to in Russian by the acronym EGISU NIOKTR)⁵.

At the same time, under the regulations for maintaining the EGISU NIOKTR, information constituting a legally protected secret cannot be uploaded to it⁶.

The draft law retains only the option of an expert review initiated by the taxpayer. Such a review will be possible without using the EGISU NIOKTR. However, the range of available expert organisations will be narrowed to those currently eligible to conduct assessments commissioned by a tax authority, namely: state academies of sciences, federal and national research universities, state scientific centres and national research centres.

⁴ Clauses 5–15 of the Rules approved by the Russian Government’s Resolution No. 2235 dated 21 December 2023.

⁵ URL: <https://gisnauka.ru>

⁶ Paragraph 6 of clause 2 of the Regulation approved by Russian Government’s Resolution No. 327 dated 12 April 2013.

The new rules will apply to R&D that is begun on or after 1 January 2027.

What to think about, what to do

The consultation on the draft law will run until 27 October 2026. We recommend that taxpayers interested in favourable tax treatment of R&D costs assess whether the proposed measures would apply to their costs and, where necessary, submit suggestions for the draft law. The procedure for applying the future rules may need to be adjusted.

Help from your adviser

We are ready to advise on both the substance of possible amendments to the draft law and on practical issues relating to how R&D costs are recognised and how the bonus deduction is applied.

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