

A draft law has been submitted to the State Duma increasing fines for a failure to submit information regarding a transaction

FAO CEOs and employees of companies' legal departments

Pepeliaev Group advises that, on 26 March 2025, a Draft Law¹ was submitted to the State Duma (the lower chamber of the Russian Parliament) proposing that fines be increased for a failure to submit to the Russian Federal Antimonopoly Service applications for transactions to be made or for filing applications containing data that is known to be false or in breach of the procedure/deadlines for such applications to be filed.

Let us look at the new developments.

Please note that, currently, the administrative fines for a failure to submit to the antitrust regulator data concerning transactions is stipulated in article 19.8(3) of the Russian Code of Administrative Offences (the 'Code of Administrative Offences')² are:

for individuals	for a company's officers	for legal entities
from RUB 1,500 to RUB 2,500	from RUB 15,000 to RUB 20,000	from RUB 300,000 to RUB 500,000

If the Draft Law is passed in its present form, the fines will be increased significantly:

for individuals	for a company's officers	for legal entities
from RUB 30,000 to RUB 50,000	from RUB 70,000 to RUB 100,000	from RUB 800,000 to RUB 1 million

Undoubtedly, there should be proper justification for such a significant increase in the fines. As stated in the Explanatory Note to the Draft Law, such

¹ <https://sozd.duma.gov.ru/bill/875355-8>

² The Code of Administrative Offences of the Russian Federation No. 195-FZ dated 30 December 2001

amendments have been triggered by the fact that, starting from 1 January 2025, the state duty for the antitrust regulator to consider an application has been increased³ from RUB 35,000 to RUB 400,000.

In turn, the current fines for a failure to submit or for missing the deadline to submit to the Federal Antimonopoly Service applications for transactions to be approved and for submitting same containing data that is known to be false have ended up being significantly lower than the increased duties.

Under such circumstances, the number of occasions when business entities may opt not to submit applications to the antitrust regulator may increase severalfold, while control over M&A transactions could in practical terms be wiped out. Therefore, according to the logic of the legislature, the size of the fines must be increased.

Pepeliaev Group's comment

According to the sponsors of the Draft Law, the above amendments should come as no surprise and make perfect sense. Nonetheless, we should keep in mind that, to achieve the goals of administrative sanctions, an increase in the size of the fines should correlate to the nature and degree of the social danger of the offences and should have a reasonable preventive effect.

In our opinion, significantly increasing the fines in the wake of the severalfold increase in duties does not meet the principle of proportionality and, hence, it is rather difficult to agree with the logic of the legislature.

We believe increasing the fines will not in itself encourage business entities to file relevant applications with the Federal Antimonopoly Service but will only create an excessive administrative burden on business.

The Russian Government (as follows from the official feedback on the Draft Law) adheres to the same position when it indicates that additional justification is needed for the significant increase in administrative fines.

³ Federal Law No. 176-FZ "On amending parts one and two of the Russian Tax Code and individual legislative instruments of the Russian Federation and on repealing individual provisions of legislative instruments of the Russian Federation" dated 12 July 2024

What to think about and what to do

The Draft Law has already prompted questions from the Government and the business community. It is difficult for now to predict what its destiny might be. However, it is likely to need to be refined.

We recommend familiarising yourself with the text of the Draft Law and following up on how it moves forward, then, once it has been passed, taking its provisions into account when you carry out your professional activity.

Help from your adviser

Pepeliaev Group's lawyers have considerable experience of providing legal support to clients with regard to antitrust regulation.

Our lawyers continually monitor changes in antitrust legislation and are ready to promptly advise on all legal aspects that arise in connection with the new provisions being adopted.

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