Amendments to the Russian Tax Code, autumn 2026: new tax rules for private investors

FAO individuals and employees of organisations paying income to individuals

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Pepeliaev Group advises of planned amendments to the Russian Tax Code that are of considerable importance to private investors.

Draft Law No. 617-9, containing numerous amendments to the Russian Tax Code, has been submitted to the State Duma. The amendments are to take effect next year.

Let us examine in greater detail the changes affecting private investors who are individuals.

Income from investments

Currently, most types of investment income (dividends, interest on bank deposits, income from the sale of property, etc.) are subject to personal income tax (PIT) at a maximum rate of 15%. It is intended that such income be brought within the standard tax regime, with a maximum rate of 22%. In other words, the vast majority of income received by individuals from 2027 onwards will be aggregated into a single total tax base, to which progressive tax rates ranging from 13% (for income of up to RUB 2.4 million) to 22% (for income exceeding RUB 50 million) will apply.

Pepeliaev Group's Comment

In many cases, the aggregation of tax bases will result in a higher tax burden.

The simplest example is an annual salary of RUB 2.4 million and additional income of RUB 500,000 from securities transactions.

Currently, PIT is calculated as follows:

RUB 2.4 million × 13% + RUB 500,000 × 13% = RUB 377,000

Under the new rules, the combined tax base will be RUB 2.9 million, so the calculation will be as follows:

Tax of RUB 312,000 + 15% of RUB 500,000 (the amount by which RUB 2.9 million exceeds the RUB 2.4 million threshold that is subject to the 13% rate) = RUB 387,000

The increase is minimal, but this is the simplest possible example.

Conclusion: taxpayers should plan their investments even more carefully, assessing in advance their tax implications.

Interest on bank deposits

The procedure for taxing interest on bank deposits is changing. Currently, such interest is subject to PIT at a maximum rate of 15%. The maximum rate is intended to increase to 22%. In addition, standard and social tax deductions as well as deductions relating to the acquisition of residential property (including interest on loans), that have not been used in the same tax period will be available to reduce the tax base for interest income on deposits in Russian banks.

However, there is a much more significant change. Currently, the tax authorities calculate PIT in relation to interest on deposits at the end of the year, and the deadline for paying the tax is by 1 December of the year following the year in which the interest was received. From 2027, banks will calculate and withhold PIT when paying interest throughout the year, while at the end of the year the tax authorities will collect information on all interest received by a taxpayer on deposits held with different banks and will additionally calculate any remaining PIT payable, taking into account how much tax the banks have already withheld.

Pepeliaev Group's Comment

Tax will be withheld at the time when the interest is paid. Consequently, there will be a reduction in the amount of funds available to taxpayers for further investment. At the same time, during the year, banks will not be able to apply any unused standard and social tax deductions or deductions relating to the acquisition of residential property. The amount of any unused remainder can be determined only at the end of the year, when the taxpayer files a tax return.

The rule concerning non-taxable interest income will remain in place. PIT is charged only on interest received in excess of this non-taxable amount. The allowance is calculated by multiplying RUB 1 million by the Russian Central Bank's key rate. The only change to the formula is that the calculation will use the Central Bank's highest key rate in the preceding year rather than the current year. In 2027, the non-taxable interest income will amount to RUB 160,000 for the entire year (the highest key rate of the Central Bank in 2026 was 16% per annum; RUB 1 million × 16% = RUB 160,000).

Each bank will calculate the amount of PIT separately from other banks, which includes taking account of non-taxable interest income. In other words, if a taxpayer places all their available funds in one basket (i.e. holds all their deposits in a single bank), the interest received from that bank may exceed the tax-free amount of interest income during the year, and the bank will then begin withholding PIT from interest payments. If, however, the taxpayer is in the habit of placing deposits in different banks, each bank will apply the non-taxable amount of interest income separately and, quite possibly, no tax will be withheld in 2027. Of course, the tax authorities will subsequently collect information on the interest paid by all banks, apply the non-taxable interest income to the taxpayer's total interest income rather than separately to each bank, and then issue a tax demand for the additional PIT payable by 1 December 2028. But that will happen later.

Income of mutual investment funds for qualified investors

Currently, mutual investment funds (MIFs) are not subject to corporate profit tax. Tax is imposed at the level of the investment unit holders when they receive income from the sale or redemption of units or distributions from the trust management of the assets comprising the MIF. The intended amendments to the Russian Tax Code recognise closed-end and open-ended MIFs intended for qualified investors as separate payers of corporate profit tax. When determining the PIT that is payable on income from the trust management of assets comprising such a MIF, the corporate profit tax calculated and paid by the MIF will be taken into account.

Pepeliaev Group's Comment

The rationale for taxing certain MIFs is the same as for the changes to the taxation of bank deposits: to ensure that tax reaches the state budget as early as possible. The same rationale underlies the planned increase in the corporate income tax rate for private funds from 15% to 22%. In other words, next year, generating income from such MIFs and private funds will be more expensive from a tax standpoint in comparison with this year.

Taxation of individuals who are not Russian tax residents

The PIT rate applicable to non-residents' dividend income and interest on bank deposits is intended to increase. Currently, the rate for such income is 15% while, starting from 2027, it will rise to 30%.

Pepeliaev Group's Comment

If the maximum PIT rate on such income for residents is increasing to 22%, it is difficult to expect the existing rate for non-residents to remain unchanged. Accordingly, when such payments are made to non-residents, it will be important to apply correctly any reduced tax rates for which double taxation treaties provide (of course, we mean those treaties that remain in force).

We also note that the proposed PIT rate for dividends credited to Type C accounts is even higher, at 35%.

The draft law contains a number of other changes to the taxation of individuals' income. These include among others: an exemption from PIT for certain social payments; a clarification of the rules for taxing winnings; and specific features in terms of determining the period of ownership of real estate where a sale and purchase agreement is terminated with the property being returned to the seller.

All these amendments are intended to take effect starting from 1 January 2027.

What to think about, what to do

Our comments and recommendations concerning the planned amendments to the Russian Tax Code are set out above.

We also recommend that you acquaint yourself with the draft law and monitor the adoption of the final version of it. We are ready to advise you on the tax implications of restructuring investment portfolios as well as on any other issues that may arise in connection with the proposed amendments.

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