

The Ministry of Justice is proposing to increase the amounts of fines under 36 articles of the Criminal Code relating to economic crimes

FAO heads of companies' legal, compliance and security departments

Pepeliaev Group advises that the Russian Ministry of Justice has drawn up and put out for public discussion a draft federal law on amendments to be made to the Criminal Code, specifically, on increasing the amounts of fines for having committed individual economic crimes¹ (the Draft Law).

Statistics of economic crimes

105,437 economic crimes were registered in 2024², thereby making the total amount of registered economic crimes increase by approximately 1.76% compared with 2023.

Starting from 2020, the number of people held criminally liable in cases of this category has not fallen below 10,000. In 2023, the figures reached a record-breaking 15,330 people, out of whom 11,910 were convicted and only 51 were exonerated³.

In the explanatory note to the draft law it is stated that, in the period from 2021 to 2023, 3,126 people were convicted under these articles of the Criminal Code, with a fine being imposed as the main punishment on 1,596 sentenced individuals⁴.

¹ On making amendments to the Criminal Code of the Russian Federation (on the amounts of fines being increased for committing individual economic crimes) Project ID 01/05/01-25/00153769 (the Project); <https://regulation.gov.ru/Regulation/Npa/PublicView?npaID=153769>

² According to the data of the Unified Inter-departmental Information and Statistics System <https://fedstat.ru/indicator/36222>

³ According to the data of "Court Statistics in the Russian Federation" <https://stat.xn----7sbqk8achja.xn--p1ai/stats/uq/t/11/s/1>

⁴ Explanatory note to the draft federal law "On amending the Criminal Code of the Russian Federation (on increasing the amounts of fines for committing individual types of economic crimes), at the URL: <https://regulation.gov.ru/Regulation/Npa/PublicView?npaID=153769>

What the changes are connected with

According to those who draft legislation⁵, the Draft Law was prepared in line with clause 27 of the Plan of the Russian Government's legislative drafting activities for 2025 (approved by the Government's Directive No. 3946-r dated 23 December 2024).

Moreover, in 2024, the amounts of large and especially large damage (i.e. factors which can increase liability) were increased with respect to 36 elements of economic crimes, which resulted in some offences being decriminalised and reassigned into the category of administrative crimes. However, according to the developers of the Draft Law, the amounts of fines remain the same and do not take account of the level of inflation in the country since 2003, which contradicts one of the main purposes of the punishment, i.e. to reinstate social justice.

With a reference to the statistical data of the Supreme Court's Judicial Department, it is stated that there is a demand for fines as the main type of punishment for economic offences.

What is proposed to be changed?

The new developments extend to the articles of the Criminal Code regarding economic crimes, offences against copyright and related rights, as well as property damage being caused by deceit or an abuse of trust.

It is proposed to increase fines for:

- fraud related to intentionally not performing contractual obligations in the area of business activity if so doing has resulted in significant damage being caused (article 159 of the Criminal Code). The amount of the fine will increase from RUB 1 million to RUB 1.5 million;
- a loan being unlawfully obtained (article 176 of the Criminal Code). The fine will be between RUB 200,000 and RUB 1,000,000;
- an abuse when securities are issued (article 185 of the Criminal Code). At present, the fines under this article are between RUB 100,000 and RUB 500,000 but they will be increased to RUB 2 million;
- intentional bankruptcy (article 196 of the Criminal Code). Instead of RUB 200,000 - 500,000 it has been proposed to impose fines between RUB 0.8 million and RUB 2 million, while under part 2 of this article the proposed amounts of fines will start at RUB 4 million (at present, the fines start at RUB 3 million);

⁵ Explanatory note to the draft federal law "On amending the Criminal Code of the Russian Federation (on increasing the amounts of fines for committing individual types of economic crimes)", at the URL: <https://regulation.gov.ru/Regulation/Npa/PublicView?npaID=153769>

- tax evasion (article 199(1) of the Criminal Code). At present, the fine is between RUB 100,000 and RUB 300,000. After the increase the range will be between RUB 500,000 and RUB 1.5 million, etc.

Within the Russian Ministry of Justice it is believed that the indexation of the amounts of fines “may, in the current economic conditions, have a favourable effect on the revenue flowing to the federal government”. “The proposed amendments allow for a balance to be maintained between the preventive function of criminal law and the need for liberalisation in the field of the economy”, explain the initiators of the Draft Law⁶.

Therefore, the amounts of fines will be adapted to today's social and economic environment, while the punishment will be commensurate to the nature of the offences and degree of danger they pose.

What will remain the same?

The terms of imprisonment stipulated by the sanctions in the above articles will remain the same. Consequently, the limitation periods in the economic articles will not change either.

Opinions and commentaries

The legal community has been actively discussing the proposed amendments. Many lawyers note the trend for a greater financial burden on individuals in the fields of judicial and law enforcement activities.

The opinion has been expressed that an increase in economic fines is justified only if they are applied as sanctions with respect to 100% of the economic elements of crimes set out in the Criminal Code and if the punishment in the form of imprisonment is removed altogether from the range of alternative sanctions entailed by the “economic” provisions of the Criminal Code.

It is worth mentioning that the calculations for the “inflation coefficient” that lawmakers are applying now when increasing fines are different from the calculations they applied when they changed the “threshold” amounts for criminal classification last year. For instance, for the threshold amount of especially large damage under article 146(3) of the Criminal Code, an increase was applied that came to 50% of the increased sum: the amount changed from RUB 1 million to RUB 2 million. At the same time, it is proposed to increase the fine under this article from RUB 500,000 to RUB 2.5 million, i.e. with an increase equal to 80% of the increased sum.

According to a number of experts, instead of the proposed “indexation”, it would be reasonable to return to the conventional units that existed before

⁶ <https://www.rbc.ru/politics/14/01/2025/67866eee9a79475579481989?ysclid=m5zcguvda6219012246>

2003 for calculating the amounts of damage and fines, thereby once again linking these amounts to the minimum salary⁷.

What to think about and what to do

At present, public discussions are being held with respect to the Draft Law. It is undergoing its anti-corruption expert assessment and has not yet been put before the State Duma. It would be prudent to keep an eye on the further destiny of the Draft Law.

Companies operating on the Russian market may need a professional qualified assessment of business decisions they are making and of other organisational and legal actions taking account of the growing risk posed by the serious economic implications of such actions being classified as criminal offences.

Help from your adviser

The lawyers of Pepeliaev Group are ready to analyse your company's operations and procedures from the perspective of criminal-law risks. They will develop additional measures to protect the rights and legal interests of the company and its managers from the growing risks of economically challenging consequences⁸.

Contact details



Sergey Taut
Expert

Tel.: +7 (495) 767 00
07
s.taut@pgplaw.ru



Leonid Kravchinsky
Partner

Tel.: +7 (495) 767 00 07
l.kravchinsky@pgplaw.ru

⁷ <https://www.advgazeta.ru/novosti/shtrafy-za-sovershenie-otdelnykh-prestupleniy-ekonomicheskoy-napravlenosti-predlozhenno-uvelichit/>

⁸ <https://www.pgplaw.ru/practice-and-industry/practices/ugolovno-pravovoy-compliance/>