



Key Russian Tax Changes from 2025

How the new tax rules affect companies and their owners

April 2025 г.



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1. Key Changes for Business



Profit tax and social contributions

Profit tax:

25%

Profit tax rate has been increased to 25%:

- total profit tax rate;
- withholding tax on certain types of income;
- CFC profit tax



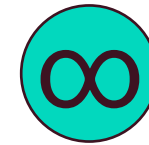
Conditions for rejection of deductibility of internet advertising costs have been introduced:

- the advertising is not approved by the regulator;
- the advertising is distributed on a resource with limited access in Russia;
- the advertising is distributed on a foreign resource that does not comply with Russian legislation

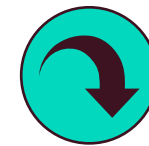
3%

FITD has been introduced for certain categories of persons:

- 3% of investment until 2030;
- allows depreciation and use of depreciation premium on investment assets



RITD and 0% federal rate for RIP participants have become permanent



Regional rates for STC have been reduced until 2030

Social contributions:

1,5

The threshold for applying a reduced rate of social contributions for SMEs, Skolkovo residents, participants of ISTC and Technopolis has been increased to 1.5 times the MMW



The reduced 0% social contribution rate for residents of SAR has been extended until 2037

Relevant for taxpayers applying STS



Variability of rates has been removed:

- **6%** – on income;
- **15%** – on income minus expenses



Allowances have been made for STS:

Eligibility criteria:

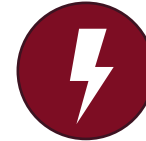
- RUB 450 m** – income
- 130 people** – average number of employees
- RUB 200 m** – residual value of the FA

Conditions for switching to STS:

- RUB 337,5 m** – income cap for the first 9 months of the year in which the notification of transition to STS is submitted

Loss of the right to apply STS:

from the 1st day of the month of non-compliance with the eligibility criteria



VAT has been introduced:

| Annual revenue (RUB) | VAT rate | Right to deduction |
|----------------------|------------|--------------------|
| < 60 m | Exemption* | No |
| > 60 m | 20% / 10% | Yes |
| | or | |
| 60-250 m | 5% | No |
| 250-450 m | 7% | No |



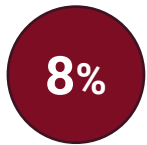


* no need to notify the tax authorities about VAT exemption, file a VAT return and issue invoices

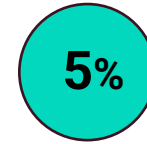


Anti-abuse rule has been introduced for relocation to a region with a lower STS rate:

an obligation to pay taxes at the rate of the previous region for 3 years has been introduced if it is lower than the rate of the region of relocation

Relevant for IT and high-tech businesses, as well as REI

- 
Profit tax rate for IT companies has been increased to 5%
- 
The loss carry forward limit for IT companies applies:
 - to losses for 2022-2024 in the amount of $\leq 50\%$ (but does not apply to losses for 2025)
- 
The federal profit tax rate for REI companies has been increased to 8% until 2027
- 
Social contributions rate of 7,6% for IT companies and companies listed in the radio-electronic product register currently applies to the entire amount of payments
- 
Moratorium on FTA for IT companies has been cancelled

- 
Profit tax on disposal of shares/participating interests in IT companies at a rate of 5% has been introduced, subject to conditions:
 - holding period is > 3 years;
 - share of real estate in Russian assets $\leq 50\%$ (not applicable when selling $< 1\%$ of publicly traded shares);
 - reduced social contributions rates were applied in the previous year
- 
Multiplying factor has been increased to 2 and is used:
 - for initial cost of the FA listed in the national software and database register, or register of radio-electronic products, or high-tech equipment list;
 - for costs related to acquiring, adapting, and modifying specific software and databases;
 - for certain R&D expenses

! Changes are being prepared for the accreditation of IT companies and the inclusion of software in the national software register

“Amnesty” for business fragmentation



General provisions:

Providing **an exemption from taxes, penalties and fines** in connection with the fragmentation of businesses in relation to tax audits for the periods **2022–2024, decisions on which have not entered into force as of 12.07.2024.**

| Conditions for applying the “amnesty” | 2022 | 2023 | 2024 | The beginning of application |
|---|------|------|------|---|
| Voluntary full or partial refusal from business fragmentation starting from 2025 | V | V | V | 01.01.2025 |
| No FTA conducted in 2025–2026 | V | V | V | 01.01.2030 |
| (1) Refusal from fragmentation after the decision to conduct FTA for 2025/2026 (2) Submission of an amended return and payment of tax for 2024 before the date of entry into force of the decision based on the results of FTA | V | V | X | from the moment of submission an amended return and payment of tax for 2024 |
| No fragmentation was detected within FTA for 2025/2026 | V | V | V | from the moment the decision on the results of the FTA comes into force |
| Fragmentation was detected within FTA for 2025/2026 | X | X | X | not applicable |
| Closing a business | V | V | V | from the date of the record made in the USRLE |



Ways to refuse from business fragmentation:

- no need to submit any special message / application / notice / declaration;
- transition of formally independent entities applying business fragmentation to GTS / actual transfer of activities to one of the entity of the group / the unification of formally independent legal entities into one legal entity with the possible creation of separate divisions / full disposal of shares (participating interests) in legal entities included in the group to other independent persons (see recommendations in Letter of the FTS dated 18.10.2024 No. CД-4-2/11836@)

Tax treaties



Suspension / termination of tax treaties with the following countries:



- **Sweden** – has been suspended since 01.02.2025;
- **Lithuania** – will cease to be valid from 01.01.2026;
- **United Kingdom** – has been ceased to apply in the United Kingdom: since 1.04.2025 for profit tax; since 6.04.2025 for PIT and capital gain tax



MLI provisions entered into force on 01.01.2025 under tax treaties with the following countries:



- Armenia;
- Vietnam;
- Hong Kong;
- Mexico;
- Romania



Russia-Abkhazia tax treaty is valid from 01.01.2025

Key provisions for Russia:

- Dividends – 10%;
- Interest – 0%;
- Royalties – 10%;
- Gains derived from the alienation of shares / participating interests in a company with > 50% real estate in Russia – 25%;
- Other income – 25%



Russia-UAE tax treaty is expected to come into effect on 01.01.2026

Key provisions for Russia:

- Dividends – 10%;
- Interest – 10%;
- Royalties – 10%;
- Gains derived from the alienation of shares / participating interests in a company with > 50% real estate in Russia – 25%;
- Other income – 25%

2. Key Changes for Business Owners



Personal Income Tax

13-22%

A progressive PIT scale from 13% to 22% has been introduced for categories of “active” income:

| Income limits (RUB) | PIT rate |
|---------------------|----------|
| ≤ 2,4 m | 13% |
| ≤ 5 m | 15% |
| ≤ 20 m | 18% |
| ≤ 50 m | 20% |
| > 50 m | 22% |



Restrictions have been introduced for the 5-year benefit (exemption) on the sale of shares/ participating interests:

- available to **tax residents only**;
- income must be **up to RUB 50 m** per year (rates of 13/15% are applied when the income threshold is exceeded)



The threshold has been changed and additional categories of income have been introduced for PIT on “passive” categories of income of tax residents:

Rates:

- **13%** – on income **up to RUB 2,4 m** per year;
- **15%** – on income **from RUB 2,4 m** per year;

Categories of income:

- dividends;
- material benefits derived when acquiring participating interests in Russian companies;
- income and material benefits from securities / derivatives;
- income from the sale of participating interests in Russian companies;
- and others

Controlled Foreign Companies



The fixed profit indicators for CFCs have been increased and now depend on the number of CFCs:

| Number of CFCs | Fixed profit of CFC (RUB) | Approximate amount of tax to be paid (RUB) |
|----------------|---------------------------|--|
| 1 | 27 990 000 | ~5 000 000 |
| 2 | 52 718 000 | ~10 000 000 |
| 3 | 75 445 300 | ~15 000 000 |
| 4 | 98 172 600 | ~20 000 000 |
| 5+ | 120 899 900 | ~25 000 000 |



A progressive PIT scale from 13% to 22% on CFC profits has been introduced

see the previous slide for more details



Since 08.08.2024 allowances have been introduced to calculate CFC profits based on financial statements if:

- measures against the CFC / controlling person that prohibit / restrict the provision of CFC's financial statements are in place;
- the CFC is incorporated in an "unfriendly" country



FTS's blacklist has been expanded and has undergone other changes:



- **added:** 27 EU countries, as well as Australia, New Zealand and Japan;



- **applies:** to the CFC profits for 2024;



- **what it affects:**

- application of certain exemptions from taxation of CFC profits;
- determination of controlling person when participating in a CFC through foreign public companies;
- procedure for calculating the CFC profits based on financial statements



- **removed:** Jamaica

3. How Global Aim Can Help



How Global Aim Can Help



Tax consulting on complex local and international tax issues:

- Russia (including tax due diligence);
- the UAE and other GCC countries;
- Kazakhstan, Belarus, Uzbekistan and other CIS countries;
- EU countries, Hong Kong, the United Kingdom and the USA



Tax structuring and support for asset restructuring:

- development of international holding, operational, financial and IP structures;
- improvement of tax efficiency, including through the use of tax incentives / preferential tax regimes;
- tax burden structuring in cross-border payments



International tax planning:

- tax planning in international corporate and personal structures;
- search for tax-efficient solutions in the structuring of international assets;
- analysis of tax implications and risks in international structures and transactions



Personal taxation:

- effective tax burden planning on the income of business owners' and asset holders' income;
- analysis of preferential personal tax regimes;
- analysis of CFC rules and preparation of reporting;
- tax support for the restructuring of personal assets;
- preparation of personal tax reporting

Abbreviations

| Abbreviations | Transcript |
|---------------|--|
| CFC | Controlled Foreign Company |
| CIS | Commonwealth of Independent States |
| EU | European Union |
| FA | Fixed Assets |
| FITD | Federal Investment Tax Deduction |
| FTA | Field Tax Audit |
| FTS | Federal Tax Service |
| GCC | Gulf Cooperation Counsel |
| GTS | General Tax System |
| IP | Intellectual Property |
| ISTC | Innovative Science and Technology Center |
| IT | Information Technology |
| MLI | Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting |

| Abbreviations | Transcript |
|----------------|--|
| MMW | Minimum Monthly Wage |
| PIT | Personal Income Tax |
| R&D | Research and Development |
| REI | Radio-Electronic Industry |
| RITD | Regional Investment Tax Deduction |
| RIP | Regional Investment Project |
| SAR | Special Administrative Region |
| SMEs | Small And Medium-Sized Enterprises |
| STC | Small Technology Company |
| STS | Simplified Taxation System |
| USRLE | Unified State Register of Legal Entities |
| VAT | Value added tax |

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