Russia

International Estate Planning Guide

IBA Private Client Tax Committee

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I. Wills and disability planning documents

A. Will formalities and enforceability of foreign wills: general consideration

The Russian succession law forms part of the Russian Civil Code (the 'Civil Code') and most of the provisions are contained in chapters 61–65 of the Civil Code. Russian law provides for three types of succession: by operation of law, by will and by inheritance agreement (Article 1111 of the Civil Code).

1. TYPES OF WILLS UNDER RUSSIAN LAW

There are two types of wills in Russia: an individual will and a joint will of spouses.

As a general rule, a will can be drawn up by one person only. Spouses constitute an exception to this rule. It shall be emphasised that only spouses who, at the time of the testament, are in an officially registered marriage can make a will together. This means that unmarried cohabitants cannot issue a joint will. To make, amend or revoke either type of will (individual or joint), the testator(s) must have full testamentary capacity at the time such actions are performed. Testamentary capacity is determined by the law of the country where the testator(s) had their last place of residence at the time of drawing up, amending or revoking a will.

a. Individual will

Russian law provides for a qualified written form of a will, which means that a will shall be drawn up in writing and shall be notarised. A testator can write it by themselves or a notary can have it written from the testator's words. Russian law allows using technical means to draw up a will, but it prohibits making a will orally; in a purely electronic form, such as by email; in video form; or by use of blockchain technology.

An individual will is made in the presence of a notary and, if the testator wishes, a witness can attend an attestation of a will. If a will is to be presented abroad, it is suggested to make the will in the presence of two witnesses, as international treaties and foreign laws usually require the presence of such a number of witnesses. During the certification procedure, the testator either reads it by themselves or has it read to them by a notary. The testator signs the will and, if a witness is present, they also sign the will, and their name and address are indicated in the will. By signing the will, the witness certifies that the testator freely expressed their last will and appeared to have testamentary capacity, and that the will was read by or to the testator.

Under Russian law, a testator may revoke or amend a will, in whole or in part, at any time during their lifetime, without providing reasons or obtaining the consent of any other person. The testator can also make a new will, which automatically cancels the previous one in a contradicting part (unless otherwise is directly stated in the new will).

b. Closed individual will

A closed individual will is written by the testator from beginning to end by hand and its substance is strictly confidential during the testator's life. Once the will has been written, the testator puts it into a sealed envelope and takes it to a notary, who puts the sealed envelope into one more envelope in the presence of two witnesses. As evidence of receipt of a will, the notary gives to a testator a certificate of a closed will's acceptance. The substance of the will remains confidential until the testator's death. After the testator's death, and upon tender of the certificate of the testator's death, the notary, in the presence of at least two witnesses, and some of the heirs at law, opens the envelope, reads the will and certifies the substance of it.

c. Joint will of spouses

The ability to make a joint will of spouses was introduced on 19 July 2018, and the instrument is now well used. The formalities to execute this type of will are the same as with an individual will, except for one minor difference: a video recording of the execution of a joint will is mandatory (Article 1125 (5.1) of the Civil Code), whereas the issuance of an individual will can be video-recorded if the testator wishes.

A joint will of spouses ceases to have legal effect upon divorce or upon execution of a new will by either spouse. Each spouse may, at any time (including after the death of the other) execute a new individual will or revoke the joint will. If this occurs, the other spouse (if this spouse is alive) is notified of this change.

Joint wills of spouses are often issued by spouses who want to have a mutual inheritance strategy but do not want to enter into a nuptial agreement. Nevertheless, it is quite common in the estate planning process to use a joint will in conjunction with a nuptial agreement with the view to attaining greater certainty, both during life and after death.

2. FREEDOM OF WILLS AND THEIR LIMITATIONS

The principle of freedom of wills takes four forms:

1. freedom to make a will;
2. freedom to choose a type of a will;
3. freedom to determine the content of a will; and
4. freedom to revoke/amend a will.

Within the limitations of statutory entitlements, a testator is generally free to dispose of their entire wealth, or any portion of it, at their discretion. When ascertaining the assets to be conveyed, the testator can make an inventory, or dispose of wealth without identification of particular assets: that is, determine the heir's share of the whole estate or their share of the particular asset, or transfer a specific asset to a particular heir. The testator is free to combine the modes of disposition in a will. The part of their estate that is not disposed of passes on to the statutory heirs of the testator.

The following dispositions are possible. The testator can:

- name any person as an heir;
- appoint a substitute heir in case the heir predeceases the testator or disclaims the inheritance;
- leave legacies and dispositions;
- appoint an executor of the estate; and
- decree that an inheritance foundation is to be set up after the testator's death.

Despite broad testamentary freedom, a testator may not be capable of overriding the statutory provisions on forced heirship or dispose of the other spouse's share in joint property (for details, see II.C and II.D). A joint will is an exception to the latter, as the spouses can dispose of both joint and personal property by the execution of their joint will. Given this, the execution of a joint will of spouses precludes uncertainties with regard to joint property and, as a result, eliminates potential disputes between heirs and the survivor spouse.

With respect to legacies, the testator can oblige one or several heirs to perform a duty for the benefit of the legatee, who has a right to enforce the obligation within a three-year limitation period. General provisions on obligations are applicable to heir-legatee relations.

Russian law also provides for the testator's possibility to oblige the heir to care for the testator's animal, or to perform an action of a proprietary or non-proprietary nature in favour of *pro bono publico* (eg, charitable activities).

Notwithstanding broad testamentary freedom, the testator cannot choose a law applicable to their will. The law applicable to inheritance is considered in detail below.

3. ENFORCEABILITY OF FOREIGN WILLS

In accordance with Article 1224 of the Civil Code, foreign wills are recognised in Russia, provided they are drawn up in accordance with the legal provisions of the country where a testator had their last place of residence at the time of making a will, and the substance of the will does not conflict with Russian public policy.

Notwithstanding, difficulties are highly likely to arise if the foreign will stipulates a transfer of Russian assets to structures unknown to Russian law (such as foreign trusts). In such a case, the foreign will is highly likely to be unenforceable in Russia.

A foreign will is to be accepted by a Russian notary, provided it has been apostilled in accordance with the Hague Convention Abolishing the Requirements of Legalisation for Foreign Public Documents 1961 or, if the convention does not apply, legalised by a Russian consulate located in the country of the testament.

Upon tender of the foreign will, the Russian notary will make inquiries with the competent authority of the foreign state in order to verify certain issues (ie, whether the will has been issued, whether it is the last version of the will etc). This will take extra time and prolong the term taken to register hereditary rights.

B. Inheritance agreement

Besides the aforementioned types of wills, Russian law provides for inheritance agreements. The inheritance agreement sets out the heirs, types, portion of the testator's assets and provides for parties' obligation(s) to perform proprietary and/or non-proprietary actions. The agreement is concluded between the testator and any person chosen by the testator, with the possibility to name this person, or any other person, as an heir.

If the spouses act as the testators, they can dispose of personal as well as joint property. If spouses have executed a joint will before entering into an inheritance agreement, the joint will ceases to have legal effect in respect of the property covered by the inheritance agreement, and succession to such personal and joint property is governed by the inheritance agreement. If the spouses subsequently divorce, the inheritance agreement between them automatically terminates.

As to the formalities, the inheritance agreement is concluded before a notary, with a video recording of its execution being mandatory.

The testator has the same freedom as to the dispositions as is stipulated for individual wills or joint wills of spouses. The testator cannot vary the Russian provisions on forced heirship. In addition to general dispositions that could be provided in a will (for details, see I.A.2), the testator could oblige the parties to the inheritance agreement to perform proprietary and non-proprietary actions, including the implementation of legacies and testamentary dispositions.

One of the key advantages of an inheritance agreement is that the parties' obligations may arise during the testator's lifetime. In addition, the legal consequences provided for in the agreement may be made conditional upon certain events or circumstances that may occur before the testator's death.

A testator who has entered into an inheritance agreement retains full ownership rights over the assets covered by the agreement during their lifetime. The testator may freely dispose of such assets, including in a manner that may deprive the heir of those assets. Any provisions restricting this freedom are void.

If several inheritance agreements concerning the same assets are concluded with different heirs, the earlier agreement prevails.

Furthermore, the testator has a right to repudiate the inheritance agreement at any time by asking the notary to serve a notarised notice to all the parties to the inheritance agreement. Given that an inheritance agreement could provide for obligations that arise during the life of the testator, the testator shall recoup the expenses of the other parties that have arisen due to the performance of the inheritance agreement.

Other parties might also have a right to repudiate the inheritance agreement, provided this right is stipulated in the agreement. In the absence of it, the inheritance agreement could be terminated, or modified, during the life of the testator, by the parties' mutual consent or by the decision of the court, pronounced in view of *clausula rebus sic stantibus*.

C. Will substitutes

1. GIFTS

A lifetime gift is one of the means that allows a person to exclude assets from the estate and overcome forced heirship rules (see II.C). None of the succession instruments indicated above allow this aim to be fully achieved. However, it should be borne in mind that once the donation has been made, the person's proprietary rights towards the asset cease.

The *inter vivos* transferral of assets owned by Russian individuals to trusts and foundations under foreign law can also be used as an estate planning strategy. For more information, see III. below.

2. NUPTIAL AGREEMENTS

As a default rule, a marriage triggers the emergence of a joint ownership regime to marital assets (ie, assets acquired during the marriage). This regime could be modified to a community property regime or separate property regime by a nuptial agreement. The choice of a separate property regime to all the marital property excludes the possibility of the allocation of half the estate to the surviving spouse upon the death of the other (for details on the ownership regime and spousal share, see II.D).

3. LIFE INSURANCES

Life insurance policies provide for the payment of an insurance premium to the named third party, upon the donor's death, out of the inheritance (probate) procedures. Such transactions are used by individuals for two reasons. First, the insurance payments may become financial support for the family members after the individual passes away, as generally these payments are paid to the beneficiaries more quickly compared to the time involved in probate procedures. Second, insurance policies allow for the exclusion of assets from the estate, which means that rules on forced heirship and spousal share are overcome.

4. POWER OF ATTORNEY

Power of attorney is used for empowering a person to manage a testator's asset on their behalf, in case of the testator's disability. However, according to Article 188 of the Civil Code, power of attorney terminates upon a principal's/agent's death or incapacity. Therefore, this instrument is viable only if the testator is disabled but not incapacitated.

5. CLOSED-END FUNDS

A closed-end fund is not a legal entity but a separate property complex that is managed by a professional manager. A fund investor can transfer their business, real estate, money, works of art and so on to a closed-end fund. The 'pros' of the closed-end fund are that the heir inherits a share of the fund instead of receiving a variety of assets (ie, the shares of the fund are included in the estate). It allows for an easier registration process of hereditary rights, plus the fund's assets are professionally managed during the term of the estate acceptance. This is convenient because, during this term, as a general rule, the heirs do not have legal possibilities to manage the estate.

The 'cons' are that the maximum term of the agreement on closed-end fund management is 15 years and the shareholders are not entitled to receive their transferred property at any time. In addition, the inheritance of shares of the fund is subject to the rules on forced heirship and spousal shares. The tax implications of transferring the property to the structure need to be considered carefully.

6. PERSONAL FOUNDATION

Since 1 March 2022, Russian law provides for the establishment of a personal foundation. A personal foundation is a non-commercial legal entity that may be created by one individual or by spouses in a registered marriage.

A personal foundation represents a Russian-law alternative to foreign trusts and private foundations, and is primarily aimed at structuring private wealth, ensuring continuity of business ownership and organising intergenerational transfer of assets.

There are two types of personal foundations: lifetime foundations and inheritance foundations established after the founder's death. A personal foundation may be established during the founder's lifetime, either for a definite period or without limitation as to duration. Alternatively, a foundation may be established by a notary following the founder's death, provided that such establishment is expressly stipulated in the will. In such a case, the foundation qualifies as an inheritance foundation.

The value of the founder's property transferred to the personal foundation shall be at least RUB 100m. If the initial contribution consists of assets other than cash, the value of those assets must be confirmed by an independent appraisal report.

Any assets (ie, both Russian and foreign) can be transferred to the foundation, but the founder should carefully consider foreign assets' management and establish a succession plan that will work for all the jurisdictions concerned.

Property transferred to the personal foundation is most likely to be excluded from the founder's estate and distributed between beneficiaries, according to corporate documentation of the foundation approved by the founder.

To protect the interests of creditors, the law establishes subsidiary liability of the founder, in respect of the foundation's debts and subsidiary liability of the foundation, in respect of the founder's debts/obligations for three years after the creation of the personal foundation.

As mentioned above, if the personal foundation is created after the testator's death, it becomes an inheritance foundation; that is, it is not feasible to test, during the life of the

testator, whether the management terms and conditions are viable. Moreover, the articles of association and the provisions for the administration could be modified during the testator's life, but become unchangeable upon their death.[1]

The inheritance foundation is an indispensable instrument for testators who wish to accelerate the procedure of the transfer of rights to the estate,[2] who want to:

- partition administration functions and an acquisition of income right;
- provide for efficient management of business assets and indivisible assets; and
- organise disposal of assets (eg, exercise an option).

The practical use of personal foundations was initially limited due to gaps in legal regulation, the absence of established notarial and judicial practice, and uncertainty regarding taxation and the implementation of this new instrument. However, their use increased significantly following two rounds of legislative amendments adopted in 2023 and 2024, which substantially improved the regulatory framework applicable to such structures. The amendments:

- simplified establishment and registration procedures;
- introduced confidentiality protections by restricting public disclosure of information on founders and foundation constitutional documents;
- granted personal foundations qualified investor status; and
- resolved a number of issues relating to the taxation of foundations and their beneficiaries.

As a result, the number of registered personal foundations has grown rapidly. According to publicly available registration data, four personal foundations were registered in 2022, 13 in 2023 and 135 foundations in 2024. By the end of 2025, the total number of registered personal foundations in Russia exceeded 400, demonstrating a substantial increase in market adoption.

At the same time, judicial and notarial practice relating to personal foundations remains in the process of formation. The regulatory framework still contains certain gaps and unresolved legal issues, particularly in relation to asset transfers, creditor protection and cross-border structuring.

II. Estate administration

A. Overview of administrative procedure

Under Russian law, the person entitled to deal with estate administration is a notary.

The persons entitled to receive the estate, under the operation of law (see further II.B), or under a will/inheritance agreement (see I.A. and I.B), may accept the estate within six months from the death of the deceased.[3] To initiate a succession procedure, the heirs shall

[1] Art123.20-1 (5) of the Civil Code sets out exceptions and procedures for post-mortem modification.

[2] The inheritance foundation could obtain an inheritance certificate, within the time frames set out in the decision of the testator, to establish a foundation.

[3] The heirs alive on the day of the testator's death, as well as children conceived during the testator's lifetime, but born after the opening of the succession, may apply to a notary for estate acceptance. An application for acceptance of the estate, on behalf of the heir, born after the testator's death, may be submitted by their legal representative, within six months from the date of birth of such an heir.

submit the application on estate acceptance to a competent notary: that is, a notary at the place where the testator had their last place of residence, or at the place of the estate location (if the testator's place of residence was abroad or unknown).

1. APPLICABLE LAW

One of the first steps taken by the notary is the determination of the applicable succession law. According to Article 1224 of the Civil Code, the inheritance of worldwide *movable* assets and obligations is governed by the law of the country in which the deceased had place of habitual or permanent residence at the time of death.

In accordance with Article 20 of the Civil Code, the permanent residence is the place where a person primarily, or permanently, resides. This notion is defined as 'a house, an apartment, or any other dwelling, where a person primarily, or permanently, resides and which they occupy as an owner, tenant, or stays there on any other legal basis'.

Under Russian law, it is mandatory for persons residing in the territory of Russia to obtain a 'residency registration' at such a place. According to Russian jurisprudence and the position of state authorities, for inheritance purposes, the presence of such Russian registration confirms that the testator's place of residency was in Russia. Therefore, even if the testator relocated and permanently resided overseas, as long as they maintained Russian 'residency registration' in the legal sense of the Russian inheritance law, their permanent residence is considered to be in Russia.

The inheritance of *non-Russian real estate* is governed by the law of the country where such real estate is located. The inheritance of *real estate located in Russia,* and/or registered in the state register of the Russian Federation, is governed by Russian law, irrespective of the testator's place of residence.

2. ESTATE ACCEPTANCE

Russian law provides for two methods of estate acceptance:

1. by submitting an acceptance application to a competent notary, responsible for the inheritance case; and

2. by commissioning acts that evidence an actual acceptance of the estate (ie, within six months, an heir took the possession/carried out the management of the estate or took measures to secure and protect the estate from the interference and/or claims of third parties).

To accept the estate, it is necessary to visit the notary and submit the respective application. The heir can visit the notary in person or the application can be submitted by their authorised representative under power of attorney duly certified and apostilled (if the heir is a Russian citizen living abroad, power of attorney shall be certified by the Russian Consul).

If an heir has not accepted the estate within the six-month term provided by law, there is a high risk of losing the rights to the estate, unless the respective term is restored by the court. The valid reasons for restoring the term on estate acceptance include severe illness, helpless condition and illiteracy. However, certain circumstances, such as a short-term health disorder, lack of knowledge of civil law regarding the terms and procedure for accepting an estate or lack of information about the composition of the inherited property, do not constitute valid reasons for restoring the term for estate acceptance.

Once the notary has determined that the applicable succession law shall be the Russian succession law and has received the application on estate acceptance, the notary opens the inheritance case.

After the inheritance case has been opened, all other heirs who want to inherit shall submit their applications on estate acceptance to the notary who opened the case. Information regarding the opened inheritance cases is publicly available.[4]

In addition, there are some aspects of the acceptance of the estate by minor heirs (under the age of 18). Legal representatives act on behalf of minors under 14; that is, they execute the acceptance application, receive all the documents and apply to registration authorities (if applicable) on behalf of the children. Children aged between 14 and 18 accept the estate themselves, but with the consent of their legal representatives.

1. NOTARY'S AUTHORITIES IN PROBATE PROCEDURES

The notary dealing with an inheritance case has the following duties and authorities:

- The notary receives applications on estate acceptance from the persons who consider themselves as heirs.

- The notary determines the assets that are to be included in the estate: The estate includes all the property (belongings and property rights) registered in the testator's name. It does not include the rights and obligations that are inextricably connected with the personality of the testator, in particular the right to alimony, or the right to compensation for damage caused to the life or health of a citizen. However, any debt of the testator (including a debt on alimony payment), being due on the testator's death, shall be included in the estate. The testator's creditors have the right to submit their claims to the heirs who accepted the estate, within the limitation period established for the corresponding claims. If no heirs have accepted the estate yet, the creditors may submit their claims to the notary dealing with the inheritance case, or to the executor of the will.

  The heirs who have accepted the estate are jointly and severally liable for the debts of the testator within the value of the estate received by them.

- The notary makes requests to state bodies/banks for confirmation of the testator's rights to the assets: In particular, the notary checks the Russian state register of immovable property and looks for the real estate registered in the testator's name. Also, the notary may send requests to the banks and registrars of shares in legal entities' capitals. It is highly recommended for the heirs to provide the notary with information about the testator's property because Russian notaries usually are not very active in the research of the testator's assets.

- The notary obtains information on the testator's credit obligations and notifies heirs thereof: As of 24 November 2025, notaries are required to request information on the deceased person's credit history through the Central Catalogue of Credit Histories and relevant credit bureaus upon opening an inheritance case, and to notify heirs who have applied for acceptance of the estate of the existence (or absence) of outstanding credit obligations. Such notification is intended to enable heirs to assess potential liabilities prior to accepting the inheritance.

- The notary makes a request to the foreign competent authorities regarding the validity of the foreign will (if any): If there was a foreign will in respect of the assets, given that the applicable succession law is the Russian law, the notary shall make a request to the competent foreign authorities to confirm that the provided version of the will was executed properly and has not been amended or revoked. Under general rules, the notary sends requests abroad though official procedures of the Russian Ministry of Justice and the Ministry of Foreign Affairs, if otherwise not stipulated by an

[4] See https://notariat.ru/ru-ru/help/probate-cases accessed 14 April 2026.

international treaty (if any) concluded between Russia and the state where the will was executed. In practice, the answer to such a request is received after several months, meaning that this prolongs the term taken to register hereditary rights.

If the six-month term of estate acceptance has expired and there are no court proceedings connected with the estate, the notary is entitled to issue a certificate of inheritance for the heirs who accepted the estate in respect of both the Russian and foreign assets. The Russian assets are described in the certificate, being the ground for registration of the heir's rights, in a particular manner sufficient for the identification of specific assets. The foreign assets are not usually described in the certificate (in this case, only an heir's share of all foreign assets is indicated). Only in some exceptional cases is the determination of certain items of foreign property in the certificates possible.

The notary is also entitled to issue the certificate of inheritance before the expiration of the six-month period if they are sure that there are no other potential heirs entitled to receive the estate, except for those who have already accepted the estate. However, notaries are usually reluctant to use this right, as the possibility of the appearance of other heirs, during the term, may not be fully eliminated.[5]

It should be noted that Russian court practice takes the view that obtaining an inheritance certificate is a right of an heir who has accepted the estate, not their obligation.[6] Therefore, if the heir accepted the estate properly and in a timely manner, but did not receive the inheritance certificate and/or did not register their rights, they should be recognised as the legal owner of the estate.

In respect of Russian assets, the notary issues the certificate of inheritance that indicates the details of the specific assets. Based on such a certificate, the competent authorities/organisations register heirs' rights to the estate.

3. PROTECTION OF THE ESTATE

Before the heirs have registered their rights to the estate, the protection and management of the estate is carried out by a notary dealing with inheritance cases or the executor of the will (if appointed).

The Russian law (Article 1134 of the Civil Code) establishes the right of the testator to appoint the executor in their will. The executor shall take the necessary measures for the execution of the will, in particular:

- Ensure the receiving of the estate by the heirs, in accordance with the will and the Russian law: This provision includes the performance of legal and actual (non-legal) actions that are necessary to help the heirs accept the estate (eg, to provide assistance in preparing documents and organising consultations for heirs (if necessary)). It should be emphasised that the executor is not a legal representative of the heirs: the executor acts in their name.

- Protection and management measures: Protection measures include executing the inventory of assets, and arranging for property valuations and/or for the disposition of cash and jewellery with a notary. Management measures could be taken in respect of assets that require management (eg, securities, shares in a limited liability company and leased real estate).

[5] Even if the notary has checked the information regarding the testator in the state register of the individuals' civil status acts, there is a risk of lack of information due to the registration of the civil act abroad or absence of information in the state register.
[6] Para 7 of Resolution of the Plenum of the Supreme Court of the Russian Federation dated 29 May 2012, No 9 'On court practice on succession cases'.

If the executor has not been appointed by the will, the notary dealing with the inheritance case is entitled to establish the fiduciary management of the estate and engage a professional manager based on a fiduciary management agreement. This agreement establishes the manager's rights and obligations in respect of certain assets that are the subject matter of the agreement. The term of the fiduciary management contract cannot exceed five years. Once the certificate of inheritance has been issued and the heir has registered their right to the assets under fiduciary management, this heir has a right to terminate any fiduciary management.

If the executor has been appointed by a will, they shall be nominated by a notary as a fiduciary manager from the moment they express consent to be an executor.

B. Intestate succession

If there is no will, joint will of spouses or inheritance agreement, as a default rule, the estate is transferred to the statutory heirs within the lines of succession. The law provides for eight lines. The heirs of the first line are children, the surviving spouse and parents of the testator. The heirs of the second line are the testator's full and half siblings, and their grandparents from both paternal and maternal sides. The heirs of the next line of priority succeed only if there are no heirs of the previous line.

All legal heirs who are called upon to inherit in accordance with the succession sequence of lines shall inherit the estate in equal shares. If some assets included in the estate are indivisible, meaning that they cannot be divided in kind, they become the shared property of the heirs. Shared property implies that the possession, management and disposal of an asset shall be governed by an agreement reached between all owners, and in case of failure to reach an agreement, in accordance with the procedure established by a court.

C. Forced heirship rules

Russian law provides for forced heirship rules (Article 1149 of the Civil Code) applicable if the testator has issued a will or a joint will of spouses, or entered into an inheritance agreement. Minors or disabled children of the testator, and the testator's incapable spouse and parents, as well as incapable dependents of the testator, shall inherit, irrespective of the provisions of the will or inheritance agreement, not less than half a share that this person would have had in the event of intestate succession. Russian law provides for categories of persons regarded as forced heirs:

- children aged less than 18 years;
- men aged at least 60 years and women aged at least 55 years; and
- persons recognised under Russian legislation as disabled persons of group I, II or III (ie, persons incapable due to their health condition).

The above persons are entitled to claim the forced (obligatory) share that is separated from the unbequeathed testator's property. If such property is not enough to sustain the claims of the forced heirs, they are entitled to claim their forced share from the property that has been bequeathed, devised or legated. In this case, such an heir is entitled to receive a part of each asset of the estate that leads to the creation of shared property of heirs and necessity to manage and dispose of such an asset jointly with other owners.

If the forced heirs are appointed as beneficiaries of the inheritance foundation, by default, they lose the right to receive the obligatory share. However, the forced heirs are still allowed to choose whether they would like to be a beneficiary of the foundation and forfeit the right to

receive the obligatory share in the estate, or to refuse their beneficiary rights and retain the right to the obligatory share defined in accordance with the law.[7]

D. Marital property

1. STATUTORY AND CONTRACTUAL REGIME OF PROPERTY OF THE SPOUSES

The personal non-proprietary and proprietary rights and obligations of spouses are determined by the law of the state where they have a joint residence or, in the absence of current joint residence, by the law of the state where they had their last joint residence. The personal non-proprietary and proprietary rights and duties of spouses who did not have a joint residence are determined in the territory of the Russian Federation by the legislation of the Russian Federation (Article 161 of the Family Code).

Under Article 33 of the Family Code, property acquired by the spouses during marriage (including income or capital generated through employment, business activity or enterprise) constitutes joint property, regardless of its formal ownership (please also see paragraph 3 below). Meanwhile, the property owned by each spouse before the marriage registration or received by either spouse during the marriage as a gift or by way of inheritance shall be regarded as that spouse's individual property.

The individual property of each spouse could be recognised by the court as joint property of the spouses if, during the marriage, at the expense of the joint property of the spouses, or individual property of the other spouse, investments that significantly increased the cost of such individual property were made (eg, overhaul and reconstruction).

Spouses are free to conclude a nuptial agreement or agreement on the division of joint property of the spouses[8] and state other rules for the determination of the proprietary regime for the assets (for details, see I.D.2).

2. SPOUSAL SHARE

Under Russian law, the estate includes the testator's personal property and their share in the joint property of the spouses, as described above. This means that, if either spouse has passed away, the surviving spouse has a right to a spousal share, which is half the joint property of the spouses.

The spousal share could be drawn from the deceased's assets, acquired during the marriage, in the case of intestate succession, or succession by a will or other succession instruments, unless the spouses disposed of their joint property by the joint will of the spouses or entered into a nuptial agreement that provides for a separate property regime. Any time frames are not applicable for the surviving spouse, as the right to receive the spousal share in the estate could be enforced even if the surviving spouse has not accepted the estate and the rights of heirs to the estate have been registered.

If there is no joint property owned by the deceased together with the surviving spouse, the surviving spouse may submit to the notary a statement confirming this fact, which will result in the division of the whole estate between the heirs.

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[7] Art. 1149 (5) of the Civil Code.

[8] Under the nuptial agreement, spouses are entitled to establish a regime of their property acquired during their marriage and change the property regime on certain assets. A nuptial agreement can be concluded before the state registration of marriage or at any time during the marriage. If the marriage contract is concluded before the state registration of marriage, it enters into force from the date of the state registration of marriage. Under the agreement on division of joint property, the spouses are entitled to divide the property acquired during the marriage. Unlike a nuptial agreement, an agreement on the division of joint property can be concluded during marriage or after marriage dissolution.

In some situations, the testator's former spouse also has a right to the allocation of the spousal share if the joint property with the deceased was not divided during the divorce proceedings or after. However, for this, the former spouse shall apply to the court rather than to the notary dealing with the inheritance case.

3. 'IMPLIED' SPOUSAL SHARE

Another situation is possible if the property is registered in the surviving spouse's name only but was acquired during the marriage. Such a property also constitutes the spouses' joint property that shall be divided equally, and only the testator's share can be inherited.

It was possible to include half of such joint assets into the estate of the deceased if there was no dispute between the heirs; however, recently, the approach of notaries has changed.

Now notaries do not accept a spouse's application on the absence of the spousal share because such a refusal from the share can be challenged by the heirs. Moreover, even if there is no heirs' conflict, such an approach may result in future disputes (especially taking into account that the information on the marriage is included in the register of immovables). Finally, in cases of such disputes after the waiver from the spousal share, the court will also reserve the spousal share: that is, all the assets will be divided equally.

Considering this, in the absence of a will/inheritance agreement, each asset is to be divided into halves and only the testator's half is to be inherited.

III. Trusts, foundations and other planning structures

Russian legislation does not have a concept of 'trusts' or 'foundations', but formally, it does not prohibit Russian citizens and residents from transferring assets to foreign trusts and becoming a settlor, beneficiary, protector and so on. The assets transferred to such structures are considered to be owned by the third parties (eg, the trustees) and thus are not included in the deceased's estate.

Although transferring Russian assets into foreign trusts is formally allowed, using these structures is not recommended for inheritance planning purposes as it will lead to the unenforceability of such a transfer. As the 'trusts' are not known within Russian law, Russian authorities cannot apply it.

In addition, Russian family law provides that the disposal of assets forming part of marital joint property requires the consent of the other spouse. In the absence of such consent, the transfer of assets to a foreign entity or trust structure may be challenged in court. When structuring any succession arrangements, it is necessary to take into account the forced heirship rules of the jurisdictions where the assets are located.

In practice, people with Russian connections have increasingly faced difficulties in using certain foreign wealth structuring vehicles across multiple jurisdictions. Consequently, personal foundations established under Russian law are increasingly used as a domestic alternative to foreign trusts and private foundations for asset holding and succession planning purposes.

In any case, when choosing foreign instruments for transferring Russian assets (or dealing with foreign assets in Russia), it is necessary to analyse and take into account international sanction regulation and the Russian anti-sanctions regulation (which, *inter aliai,* may restrict certain transactions with foreign persons).

IV. Taxes

A. Residency and domicile

There is no concept of domicile in Russian tax law and 'tax residency' is defined based on the number of days spent by an individual in Russia. According to the Tax Code of Russia (the 'Tax Code'), a Russian tax resident is an individual who spends at least 183 calendar days within 12 consecutive months in the territory of Russia.

All days when an individual stays in Russia (including days of arrival and departure) are taken into account for tax residency purposes. Days spent travelling outside Russia for short-term treatment or study (not exceeding six months) are also considered as spent in Russia.

The final tax status of an individual is determined for the tax year (which equals the standard calendar year from 1 January to 31 December).

Special rules apply to individuals recognised as foreign agents in accordance with the legislation of the Russian Federation.

B. General rules on taxation of income

Russian tax residents are obliged to pay personal income tax (PIT) on their worldwide income in accordance with a progressive taxation scale:

- a rate of 13 per cent applies to the amount of income up to RUB 2.4m per year;
- a rate of 15 per cent applies to the amount of income exceeding the above threshold, and up to RUB 5m per year;
- a rate of 18 per cent applies to the amount of income exceeding the above threshold, and up to RUB 20m per year;
- a rate of 20 per cent applies to the amount of income exceeding the above threshold, and up to RUB 50m per year; and
- a rate of 22 per cent applies to the amount of income exceeding the above threshold.

However, there are certain exceptions: for example, a 13/15 per cent rate applies to income from the sale of property, securities, digital financial assets and some other types of income; a 35 per cent rate is provided for certain types of income, such as prizes and winnings received within promotional campaigns, exceeding RUB 4,000 and so on.

Non-resident individuals pay PIT at a 30 per cent rate on all Russian-sourced income, except for dividends and interest on deposits in Russian banks, which are taxed at a 15 per cent rate. Employment remunerations received by non-tax residents from Russian-based employers for remote work are taxed at a 13/15/18/20/22 per cent rate as mentioned above for residents. Income received from sources outside Russia is not taxable for non-residents.

C. Gift, estate and inheritance taxes

1. GIFT TAXES

Generally, gifts between individuals (either in cash or in kind) are non-taxable in Russia, except for gifted real estate, vehicles, securities, derivatives, digital financial assets, participating interests, participating units, digital rights (including both digital financial assets and utility digital rights) and digital currency.

Any gifts between family members or close relatives[9] are tax exempt.

[9] Spouses, parents and children – including adoptive parents and adopted children, grandparents and grandchildren, siblings and half-siblings (having a common father or mother) – are considered as 'close relatives'. However, the term 'family member' is

2. ESTATE AND INHERITANCE TAXES

There are no estate and inheritance taxes in Russia. Any income received as formal inheritance is not taxable, except for remuneration payable to the heirs of authors of works of science, literature and art, and patent holders of discoveries, inventions and industrial samples.

Payments to heirs from trusts and other foreign structures are not generally treated as inheritance and are taxed as ordinary income (see also IV.E for more details).

The Tax Code provides for a special tax exemption in respect of the income received by beneficiaries of Russian personal foundations (see also I.A.6 for more details). Generally, income (in cash and in kind) received from a Russian personal foundation after the death of its founder will be tax exempt for the beneficiaries, irrespective of their tax residency.

However, if a Russian personal foundation distributes property or funds during the life of its founder, such distribution is not tax exempt, unless received by the founder, their spouse, children, parents, grandparents, grandchildren or siblings. The tax exemption in this case applies only if the recipient is a Russian tax resident.

D. Taxes on income and capital

When using or disposing of property received by inheritance, donation[10] or transfer from a Russian personal foundation, generally, the following tax rates are applicable:

	Residents	**Non-residents**
Rental income	13/15/18/20/22%	30% (for rental income from Russian real estate)
Income from the sale of property	13/15% Income can be reduced by: 1. acquisition costs incurred by the testator/donor/Russian personal foundation (should be confirmed by documents), or 2. RUB 1m (for residential real estate)/RUB 250,000 (for other property).	30% (for Russia-based property) without an opportunity to reduce income by the amount of costs In some cases, the income may be exempted in Russia under an applicable double tax treaty (except for the sale of Russian real estate).
	Non-taxable after holding real estate received by inheritance, donation or from a personal foundation for three or more years/after holding other real estate for five or more years (except for certain real estate used within entrepreneurial activities)	
Investment income (interest, dividends, income from disposal of securities	13/15% (income from the disposal of securities can be reduced by acquisition and holding costs incurred by the testator/donor/Russian personal foundation) Income from the sale of participating interests in Russian companies and	15% for dividends from Russian companies and for interest on deposits in Russian banks 30% for other Russian-sourced income Tax can be reduced under an applicable

not clearly defined in Russian legislation. According to the clarifications of the Russian Ministry of Finance, a family is understood as persons related by blood relationship or affinity, living together and maintaining a common household.

[10] For the purposes of this section, it is assumed that the donor and donee are family members or close relatives in accordance with the Family Code of Russia.

	Residents	Non-residents
etc)	shares of Russian companies (except for the cases of withdrawal/exit from the company) is not taxable after holding them for five or more years if the share of the Russian real estate of the assets of the company does not exceed 50% (directly or indirectly). The tax exemption applies to the amount of tax base not exceeding RUB 50m.	double tax treaty

There are no special taxes on capital in Russia, except for taxation of capital gain income, mentioned above. Besides income tax, the owners of real estate and vehicles pay land tax/property tax and transport tax, respectively, annually.

E. Taxation of trusts and foundations

Russia has introduced controlled foreign company (CFC) regulations, which may be applicable to foreign trusts and foundations. Depending on several factors, including the legal status of the tax resident, existence of controlling powers and other rights in respect of the trust/foundation, tax residents may be obliged to:

- notify Russian tax authorities on the establishment of a trust/foundation;
- file regular CFC reporting on the trust/foundation; and
- pay tax on the undistributed profit generated by the trust/foundation.

Any payments to the tax resident from the trust/foundation are generally subject to taxation at the 13/15/18/20/22 per cent rate (even if such payments are received by inheritance). Distributions of trust/foundation profits earlier declared and taxed by the tax resident as CFC profit are not taxed on receipt, subject to certain requirements.

Income received in cash or in kind from a trust/foundation and not qualified as the distribution of profit of the trust/foundation is not taxable within the value of property/property rights earlier contributed to the trust/foundation by the recipient or their family members/close relatives.

In addition, if the Russian tax resident uses real estate, vehicles or other assets belonging to a trust/foundation on a free-of-charge basis, this may trigger taxable income.

F. Taxation of a personal foundation established in accordance with Russian law

A personal foundation established in Russia, being a non-commercial legal entity, will be treated as a taxpayer in Russia.

Personal foundations pay 15 per cent corporate tax on their profit, provided that more than 90 per cent of the personal foundation’s income for the calendar year qualifies as passive income (dividends, interest, proceeds from derivatives, investments in mutual investment funds or rental income (with some exceptions)). Otherwise, the general 25 per cent profit tax rate is applicable.