

Newsletter

Draft Law on De-Privatization in Russia: Key Changes & Implications

May 04, 2026

Dear Ladies and Gentlemen!

Main Message

A new draft law No. 1208563-8¹ («**Draft law**») is set to reshape the legal landscape of asset privatization in Russia by introducing clear time limits on state claims for de-privatization. This change will significantly reduce legal uncertainty for investors and businesses holding privatized assets.

Key Provisions of Draft Law

The draft amends Article 217 of Part One of the Civil Code of the Russian Federation, establishing a structured limitation regime for claims to reverse privatization.

Limitation period

General Period	3 years from the moment the violation is discovered
Long-Stop Period	10 years from the date of the original violation
Outcome	Claims dismissed after 10 years, regardless of discovery date

Exception: Claims based on anti-corruption or counter-extremism legislation remain exempt from these time limits.

Why This Matters for Businesses

- Ends open-ended risk: previously, state authorities could reclaim privatized assets even after 15–30 years.
- Enhances investor protection: clear temporal boundaries improve predictability and asset value.
- Supports deal structuring: facilitates more secure M&A, investment, and financing transactions.
- Strengthens legal certainty: reduces exposure to retroactive claims in ongoing or future disputes.

Timeline & Application

- Expected review: May 2026 — State Duma consideration.
- Entry into force: Immediately upon adoption.
- Retrospective application: Applies to ongoing court proceedings where judgments are not yet final.

This means existing cases may be affected — early legal assessment is critical.

How We Can Help

Our Corporate & M&A team would be pleased to provide full-cycle support to mitigate privatization-related and other risks:

- Comprehensive legal due diligence of assets.

¹ On Amendments to Article 217 of Part One of the Civil Code of the Russian Federation (on limitation periods in privatization matters).

- Full-cycle legal support for M&A transactions, from structuring and negotiations to transaction documentation.
- Ensuring the mitigation of privatization-related or other risks and the protection of your interests at all stages of the project.

We help clients turn legal uncertainty into strategic clarity.

We hope that the information provided herein will be useful for you. If any of your colleagues would also like to receive our newsletters, please send them the link to complete a [Subscription Form](#). If you would like to learn more about our [Corporate and M&A](#) practice, please let us know by replying to this email. We will be glad to provide you with our materials.

Note: Please be aware that all information provided in this letter was based on our analysis of data taken from open sources, and on our understanding and interpretation of legislation and law enforcement practice. Neither ALRUD Law Firm nor the authors of this letter are responsible for any consequences that may arise as a result of taking decisions based on this letter.



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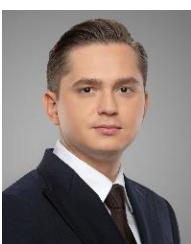
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