

**By the Judgement of 25 November 2025 No.41-II, the Constitutional Court assessed constitutionality of Article 424 (items 1 and 2) of the Civil Code of the Russian Federation, Article 168 (item 1) of the Tax Code of the Russian Federation and Article 1 (sub-item “a” of item 1) of the Federal Law “On Amendments to Part Two of the Tax Code of the Russian Federation”.**

The indicated legal provisions were subject to review insofar as they, in their interrelation, serve as grounds for resolving the issue of the supplier collecting additional remuneration under a continuing contract, compensating it for the consequences of changes in tax legislation, as a result of which it incurs an obligation to pay value-added tax (hereinafter – VAT; the tax) when performing the contract, from a buyer who is unable to deduct the corresponding amounts to compensate for the losses shifted onto it.

The challenged legal provisions in their interrelation were found inconsistent with the Constitution insofar as due to their gap regarding the resolution of the issue of amending the price of a continuing contract (or its termination) in connection with post-contractual changes in tax law, as a result of which the supplier incurs an obligation to pay VAT when performing this contract, they allow the supplier to collect the noted additional remuneration from such a buyer.

Until the appropriate legislative amendments are made, in case the parties have not reached an agreement, in compliance with civil legislation, on amending the price of a continuing contract or terminating it in connection with post-contractual changes in tax law, as a result of which the supplier incurs an obligation to pay VAT when performing this contract:

the supplier has the right to apply to a court with a claim to increase the price within half of the tax amount attributable to the relevant operation and paid to the budget, if the further performance of the continuing contract deprives it of what it was entitled to expect upon concluding this contract, including causing property losses, and the buyer, who does not have the right to use the tax deduction, refused to amend or terminate the contract;

the price agreed upon in a continuing contract with an individual may not be amended, except in cases where the individual engages in entrepreneurial activity when concluding and performing the contract;

the issue of price increase concerning relations associated with the procurement of goods, works, and services for state and municipal needs is resolved taking into account the specifics established by legislation on the contract system in the sphere of procurement of goods, works, and services for state and municipal needs.

The above in any case does not imply a reduction in the amount of VAT paid by the supplier to the budget.

Judicial acts issued in the applicant's case are subject to review in accordance with the established procedure based on the temporary legal regulation introduced by this Judgement.