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Draft Law Would Grant Putin New Powers to Block Departed Foreign Companies From Returning

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Russian lawmakers have revised legislation that will give President Vladimir Putin expanded authority to prevent foreign companies from buying back assets they sold when exiting the country, Interfax reported Wednesday.

The changes underscore Russia's push to lock Western companies out of strategic sectors and further entrench domestic control over foreign business assets that were abandoned after the invasion of Ukraine.

The updated draft law allows Putin to establish the conditions under which foreign firms can be barred from repurchasing their former businesses, Interfax cited a source familiar with the changes as saying.

Russian courts will be empowered to terminate existing buyback clauses based on those

conditions at the request of current non-foreign asset holders.

The legislation applies retroactively to deals made between Feb. 22 and Dec. 31, 2022, narrowing the original draft's scope, which targeted exits between between Feb. 24, 2022, and March 1, 2025.

Under the revised rules, companies subject to federal sanitary and epidemiological regulations such as food producers, retailers and restaurants appear to be the primary focus, particularly those failing to comply with inspection requirements.

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The Financial Times previously reported that Putin was personally involved in shaping the legislation following a push by Russian business owners to block former Western partners from re-entering the market.

Vkusno i Tochka, the Russian fast-food chain that took over McDonald's operations after its withdrawal, intensely lobbied for this proposal, FT reported.

Following the full-scale invasion of Ukraine, many foreign firms negotiated exit deals that included buyback clauses, giving them the option to reclaim their businesses in the future.

Companies such as McDonald's and Renault were reported to have secured such clauses.

In May, Putin publicly told executives of Vkusno i Tochka that he had ordered the government to develop a mechanism to nullify these buyback agreements.

According to Russian analytical agency AK&M, foreign companies completed 109 exits worth $16.3 billion in 2022, a figure that fell to $11.1 billion in 2023 and $3.4 billion in 2024. Nine foreign exits totaling $420 million were recorded in the first quarter of 2025.

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