

GAIDAR INSTITUTE FOR ECONOMIC POLICY

RUSSIAN ECONOMY IN 2022

TRENDS AND OUTLOOKS

(Issue 44)

**Gaidar Institute Publishers
Moscow / 2023**

UDC 338.1(470+571)"2022"
BBC 65.9(2Poc)"

R95 Russian Economy in 2022. Trends and outlooks. (Issue 44) / [V. Mau et al; scientific editing by Kudrin A.L., Doctor of sciences (economics), Radygin A.D., Doctor of sciences (economics), Sinelnikov-Murylev S.G., Doctor of sciences (economics)]; Gaidar Institute. – Moscow: Gaidar Institute Publishers, 2023. – 521 pp.: illust.

ISBN 978-5-93255-665-8

The review “Russian Economy. Trends and Outlooks” has been published by the Gaidar Institute since 1991. This is the 44th issue. This publication provides a detailed analysis of main trends in Russian economy, global trends in social and economic development. The paper contains 5 big sections that highlight different aspects of Russia’s economic development, which allow to monitor all angles of ongoing events over a prolonged period: the monetary and budget spheres; financial markets and institutions; the real sector; social sphere; institutional changes. The paper employs a huge mass of statistical data that forms the basis of original computation and numerous charts confirming the conclusions.

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UDC 338.1(470+571)"2022"
BBC 65.9(2Poc)"

ISBN 978-5-93255-665-8

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Public sector and privatization in Russia in 2022¹

5.1.1. Scale of state ownership

Publication of data according to the System of indicators to assess the effectiveness of state property management began in 2016 in compliance with the RF Government Decree of 29.01.2015 No. 72. This system has replaced monitoring of indicators of the public sector of the economy, conducted by Rosstat since the early 2000s based on the RF Government Decree of 4.01.1999 No. 1 (subsequently revised on 30.12.2002). It contains information about the number of federal state unitary enterprises (FSUE) and joint-stock companies (JSCs) with the RF participation in the capital, which are also published in the privatization programs for the next term.

The new edition of the “Forecast plan (program) of federal property privatization and focal points of federal property privatization” with shifting of its time limits from 2022—2024 to 2023—2025 allows to describe the processes that took place in the previous year (*Table 1*).

As of July 1, 2022, the Russian Federation was a shareholder in 578 JSCs, and the owner of the property of 352 FGUPs, 41 federal treasury enterprises (FTE) and 12,197 federal state institutions (FSI).

Compared to the similar data a year earlier, there was a reduction in the number of FSUE by 187 units (or 34.7%), JSC with state participation by 100 units (or 14.7%) and FSI by 952 units (or 7.2%). At the same time, the number of FTE and JSCs, where there is a special right to participate in the management of the “golden share” has increased by 1 unit. With regard to the latter category of business entities, growth was observed in H1 2022. It should be noted that this

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was preceded by a sharp decline in the use of this instrument of state participation in the corporate sector in 2021.

Table 1

**Entities and organizations in federal ownership accounted
in the register of federal property and the System
of indicators to assess the effectiveness of state property
management in 2010—2022**

Date	Business entities with federal participation, units		Other owners of federal property accounting, units		
	stocks package (share) in the capital / of which JSC	special right to participate in the management of the “golden share” in the absence of a share ^a	FSUE	FIE	FSI
On January 1, 2010	3 066/2 950 ^b		3 517 ^b		
On January 1, 2013	2 356/2 337 ^b		1 800/1 795 ^b	72	20 458
On January 1, 2016	1 557/1 704 ^b	88/64 ^c	1 488/1 247 ^b	48	16 194
On April 7, 2016	1 683/1 620 ^d		1 236	48	16 726
On July 1, 2016	1 571	82	1 378	47	16 990
On January 1, 2017	1 356/1 416 ^e	81	1 245/1 108 ^e	48	16 846
On July 1, 2017	1 247	78	1 058	53	16 244
On January 1, 2018	1 189	77	984	50	15 985
On July 1, 2018	1 060	77	868	50	15 520
On January 1, 2019	1 084/1 130 ^b	76	792/700 ^b	48 ^f	15 140
On July 1, 2019	1 059	73	712	48	14 942
On January 1, 2020	989	67	672	48	14 576
On July 1, 2020	948	67	640	46	13 915
On January 1, 2021	756	67	581	44	13 681
On July 1, 2021	678	29	539	40	13 149
On November 25, 2021	691 ^g		498 ^g		
On January 1, 2022	646	25	409	41	12 300
On July 1, 2022	578	26	352	41	1 2197
On September 5, 2022	591 ^h		295 ^h		

^a Special right is not an accounting entity in the registry, but is mentioned in various materials of the Federal Property Management Agency;

^b Number of JSCs and FSUE according to privatization programs for the years 2010—2013, 2014—2016, 2017—2019 (the data on the distribution by OKVED refers to companies whose shares (interests) are in federal ownership) and 2020—2022 (the number of business entities).

^c According to report on the activity of the Federal Property Management Agency (Rosimushchestvo) for 2015.

^d In the numerator — the total number of legal entities, including CJSC and LLC, in the denominator — the number of blocks of shares and stakes (we can assume that the difference represents the number of JSCs where the “golden share” is used, but there is no direct indication).

^e According to report on the implementation of the forecast plan (programs) of privatization of the federal property for 2017–2019 in 2017.

† According to the System of indicators to assess the effectiveness of state property management on the number of business entities owned by the state by organizational-legal forms (OLF) (792 companies on the right of economic management and 48 companies on the right of operational management (state-owned), while the distribution of economic activities (OKVED) and federal authorities in charge of FSUE (OKOGU), their total number is 821 units.

‡ Number of business entities and FSUE according to privatization program for 2022–2024.

§ Number of business entities and FSUE according to privatization program for 2023–2025.

Sources: The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2011–2013; the forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2014–2016; URL: www.economy.gov.ru (April 23, 2013); Report on the activity of the Federal Property Management Agency for 2015; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2017–2019; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2020–2022; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2022–2024; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2023–2025; Statistical data on the System of indicators to assess effectiveness of management of the state property; URL: <http://rosstat.gov.ru/> (March 20, 2016, September 5, 2016, March 20, 2017, September 5, 2017, March 20, 2018, September 5, 2018, March 20, 2019, September 5, 2019, March 20, 2020, September 7, 2020, March 22, 2021, September 6, 2021, March 21, 2022, September 7, 2022).

Given that dynamics of the number of subjects of the main organizational-legal forms of federal property, on a shorter time interval in H1 of 2022 it was as follows: the number of unitary enterprises dropped by 13.9%, JSC with state participation fell by 10.5%, state institutions reduced by 0.8%.

As of September 5, 2022, the Russian Federation owned property of 295 FSUE and was a shareholder (participant) in 591 economic entities. Comparing these values with the data on November 25, 2021, reflected in the privatization program for 2022–2024, it can be stated that in less than a year the number of FSUE decreased by more than 40%. When compared with the value on January 1, 2019 (700 FSUE), i.e. with the data of the initial version of the privatization program for 2020–2022, the reduction was 58%. The reduction of state participation in the corporate sector at the federal level has been more moderate over the previous year. By early fall 2022, it had declined by less than 15% in a partial year, although it was down nearly 48% from the beginning of 2019 (1,130 companies).

Refer now to a more significant category of economic companies with varying degrees of state participation¹ (*Table 2*).

Analysis of the Rosstat's data on the System of indicators for evaluation of state property management effectiveness shows that in the period between the middle of 2021 and the middle of 2022 a trend, which appeared about a year earlier, continued to emerge towards an increase in the proportion of JSCs, where the state as a shareholder could exercise full corporate control.² Their specific weight as of July 1, 2022 increased by more than 4.5 p.p. and amounted to 47.2% against 42.6% a year ago. The share of JSCs with federal blocking stakes dropped from 9 to almost 8%. In contrast, specific weight of all other companies whose shares are in federal ownership dropped almost by 4 p.p. (from 48.4% to 44.6%).

1 Previously, this group of companies could be more fully characterized by reports on management of federally owned shares of OJSC and use of a special right of participation of the RF in management of OJSC (“golden share”) on the results of the next year, published from 2012 until recent years by the Federal Property Management Agency.

2 Based on the total number of JSCs with full and majority state-owned stakes.

Table 2

Dynamics in the number and structure of business entities (JSC and LLC) by size of the state's share in the capital (excluding JSCs using special golden share" right in the absence of a share) in 2016—2022

Date and source	Business entities (АО и ООО), where RF is a shareholder (participant)									
	total, units	share, %	Including with the size of the state share in the authorized capital							
			100%		50–100%		25–50%		less than 25%	
			units	%	units	%	units	%	units	%
RF Government (forecast privatization plans, FPP)										
On January 1, 2016 (FPP for 2017–2019)	1704 ^a	100.0	765	44.9	93	5.4	172	10.1	674	39.6
On January 1, 2019 (FPP for 2020–2022)	1130 ^b	100.0	368	32.55	30	2.65	95	8.4	637	56.4
On November 25 2021 (FPP for 2022–2024)	691 ^b	100.0	269	38.9	29	4.2	59	8.5	334	48.3
On September 5, 2022 (FPP for 2023–2025)	591 ^b	100.0	256	43.3	22	3.7	36	6.1	277	46.9
Rosstat (System of indicators to assess efficiency of management of the state property, only JSC)										
On January 1, 2016	1557	100.0	816 ^c		52.4 ^c		174	11.2	567 ^d	36.4 ^d
On July 1, 2016	1571	100.0	711 ^c		45.3 ^c		189	12.0	671 ^d	42.7 ^d
On January 1, 2017	1356	100.0	575 ^c		42.4 ^c		128	9.4	653 ^d	48.2 ^d
On July 1, 2017	1247	100.0	514 ^c		41.2 ^c		108	8.7	625 ^d	50.1 ^d
On January 1, 2018	1189	100.0	488 ^c		41.0 ^c		102	8.6	599 ^d	50.4 ^d
On July 1, 2018	1060	100.0	448 ^c		42.3 ^c		87	8.2	525 ^d	49.5 ^d
On January 1, 2019	1084	100.0	442 ^c		40.8 ^c		85	7.8	557 ^d	51.4 ^d
On July 1, 2019	1059	100.0	429 ^c		40.5 ^c		85	8.0	545 ^d	51.5 ^d
On January 1, 2020	989	100.0	387 ^c		39.1 ^c		74	7.5	528 ^d	53.4 ^d
On July 1, 2020	948	100.0	362 ^c		38.2 ^c		66	7.0	520 ^d	54.9 ^d
On January 1, 2021	756	100.0	318 ^c		42.1 ^c		60	7.9	378 ^d	50.0 ^d
On July 1, 2021	678	100.0	289 ^c		42.6 ^c		61	9.0	328 ^d	48.4 ^d
On January 1, 2022	646	100.0	299 ^c		46.3 ^c		54	8.4	293 ^d	45.3 ^d
On July 1, 2022	578	100.0	273 ^c		47.2 ^c		47	8.1	258 ^d	44.6 ^d

^a The number of JSCs according to FPP for 2017—2019 (the data on the distribution by OKVED refers to the number of companies whose shares (interests) are in federal ownership).

^b Number of business companies.

^c Total number of JSCs with a federal shareholding of over 50% (without singling out JSCs with full (100%) federal shareholdings) and their specific weight.

^d Estimated value based on the total number of JSCs data whose shares are in federal ownership and

the number of such JSCs by other categories based on the share in the authorized capital.

Sources: The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2017–2019; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2020–2022; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2022–2024; The forecast plan (program) of privatization of the federal property and the focal points of privatization of the federal property for 2023–2025; statistical data according to the System of indicators to assess effectiveness of the federal property management; URL: <http://rosstat.gov.ru/> (March 20, 2016, September 5, 2016, March 20, 2017, September 5, 2017, March 20, 2018, September 5, 2018, March 20, 2019, September 5, 2019, March 20, 2020, September 7, 2020, March 22, 2021, September 6, 2021, March 21, 2022, September 7, 2022); own calculations.

When comparing data for September 2022 from the privatization program 2023—2025 with November 2021, one can state a slight reduction in the proportion of business entities with the state share in the capital of less than 25% (by 1.4 p.p.). Nevertheless, this group remains very numerous, accounting for about 47% of all companies with federal stakes. The same is the share of companies where the state as a shareholder could exercise full corporate control. Their share increased by almost 4 p.p., mainly due to the share of companies with a full (100%) federal block of shares. The intermediate position was occupied by a small group of companies with a blocking (from 25 to 50% of the capital) state-owned stake, whose share decreased by 2.4 p.p. to 6.1%.

When considering the data on the System of indicators to assess the effectiveness of the state property management, not limited to the federal level, we get the following picture (*Table 3*).

Table 3

Number of organizations in the public sector of economy accounted by the Federal Property Management Agency, its territorial directorates and state property management agencies of the Russian Federation in 2013—2014 and the number of economic entities in the state sector of economy in 2016—2022 (based on data from state registration) by organizational/legal forms

Date	Total	State Unitary Enterprises including treasury enterprises	Government institutions	Business entities with the authorized capital more than 50% of shares (stakes) are in the ownership of business entities belonging to the state sector of the economy	
				in the state ownership	in the ownership of business entities belonging to the state sector of economy
On January 1, 2013	67 003 ^a	4 891	5 6247	3 501	2 364
On July 1, 2013	66 131 ^a	4 589	5 6100	3 201	2 241
On January 1, 2014	64 616 ^a	4 408	5 4699	3 097	2 412
On July 1, 2014	63 635 ^a	4 236	5 4173	2 988	2 238
On January 1, 2016	65 587 ^b	4 284	56 693/56 649 ^c	3 888 ^a	...
On July 1, 2016	65 218 ^b	3 982	56 893/56 856 ^c	3 673 ^a	...
On January 1, 2017	64 457 ^b	3 719	56 548/56 507 ^c	3 532 ^a	...

Date	Total	State Unitary Enterprises including treasury enterprises	Government institutions	Business entities with the authorized capital more than 50% of shares (stakes) are in the ownership of business entities belonging to the state sector of the economy	
				in the state ownership	in the ownership of business entities belonging to the state sector of economy
On July 1, 2017	62 655 ^b	3 294	55 414/55 361 ^c	3 353 ^a	...
On January 1, 2018	61 734 ^b	3 053	54 851/54 814 ^c	3 239 ^a	...
On July 1, 2018	60 391 ^b	2 763	53 933/53 899 ^c	3 125 ^a	...
On January 1, 2019	59 608 ^b	2 608	53 394/53 360 ^c	3 054 ^a	...
On July 1, 2019	58 839 ^b	2 366	52 901/52 870 ^c	2 972 ^a	...
On January 1, 2020	57 903 ^b	2 225	52 207/52 176 ^c	2 864 ^a	...
On July 1, 2020	56 909 ^b	2 050	51 474/51 445 ^c	2 787 ^a	...
On January 1, 2021	56 288 ^b	1 917	51 076/51 026 ^c	2 713 ^a	...
On July 1, 2021	55 204 ^b	1 792	50 138/50 110 ^c	2 672 ^a	...
On January 1, 2022	53 763 ^b	1 610	48 939/48 912 ^c	2 627 ^a	...
On July 1, 2022	53 013 ^b	1 426	48 433/48 407 ^c	2 583 ^a	...

^a Including organizations lacking specific types in their founding documents, which have passed state registration, but without joint stock companies with more than 50% of their shares (stakes) in joint state and foreign ownership.

^b Including business entities with an organizational-legal form other than unitary enterprises, state institutions and business companies (production (artels) and consumer cooperatives, associations (unions), associations of property owners, foundations, public-law companies, etc.).

^c Number of institutions set up by the Russian Federation and RF regions (excluding state academies of sciences and private institutions, which in the new System are attributed to institutions, but should be excluded;

^a Total number of business entities irrespective of the size of the state-owned stake (share), data on the number of business entities with a controlling block of shares owned by the state are available only for JSCs whose shares are in federal ownership.

Sources: On the development of the public sector of the economy of the Russian Federation in 2012 (p. 7–11) in H1 2013 (p. 7–11), 2013 (p. 7–11) in H1 2014 (p. 7–11). M.: Rosstat, 2013–2014; Statistical information on the indicators of effectiveness of the federal property management; URL: <http://rosstat.gov.ru/> (March 20, 2016, September 5, 2016, March 20, 2017, September 5, 2017, March 20, 2018, September 5, 2018, March 20, 2019, September 5, 2019, March 20, 2020, September 7, 2020, March 22, 2021, September 6, 2021, March 21, 2022, September 7, 2022).

The total number of state-owned business entities, according to the new system, was 53.000 units by mid-2022, down about 2.200 units (or 4%) from a year earlier and about 10.600 units from mid-2014.¹

A reduction can be noted in the number of unitary enterprises by 366 units (or more than 1/5), business associations — by 89 units (or 3.3%), government agencies — about 1.700 units (or 3.4%) for certain categories of business entities compared to the middle of 2021.

¹ The latest bulletin on the development of the public sector of the economy was issued for January-September 2014, but the semiannual data as of July 1, 2014 are also good enough for the medium-term analysis.

Considering dynamics on a shorter time interval, in H1 2022, there was a reduction in the number of unitary enterprises by 11.4%, business companies by 1.7%, state institutions by 1%.

5.1.2. Privatization policy

The implementation of the Forecast Plan (Program) of privatization of the federal property and focal points of privatization of the federal property in 2022-2024 approved by the RF Government Edict No. 3993-r of 31.12.2021 was launched in the previous year. It should be reminded that this document resulted from amendments introduced into the Rules of elaboration of forecast plans (programs) of privatization by RF Government Decree No. 1401 of 23.08.2021. It stated that in 2022 the terms of the start and the end of realization of the three-year privatization program of 2020—2022 in force at that time were shifted by 2 years, i.e. de facto its new time interval shall be the period of 2022—2024.

As with the previous privatization program, numerous amendments and additions were made to the current document. In total, from the moment of approval of the Forecast Plan (program) of federal property privatization and the focal points of federal property privatization for 2022—2024 there were 27 respective normative legal acts against 22 in 2021 and 15 in 2020.

Among the changes worth mentioning are those approved by the RF Government Edict of 24.08.2022 No. 2417-r.

In the context of improving the efficiency of the privatization program implementation a personal responsibility of officials of federal executive bodies (FEBs) was established for the activities on the completion of registration with regard to property rights of FSUE. For this purpose, the Federal Property Management Agency based on proposals of its territorial offices and FEBs should approve action plans and schedules and ensure their implementation in respect of their subordinate enterprises.

There was a mention that not less than two bidding procedures have to be organized within a calendar year in respect of shares (stakes) of the companies included in the list of JSCs and LLCs with shares (stakes) in federal ownership are to be sold in 2022—2024, and in respect of property items included in the list of other property to be privatized during this period, as well as personal responsibility of officials of the Federal Property Management Agency for implementation of the above measures to be approved.

As a result of changes introduced in late summer 2022, the text of the document does not contain references to the achievement of key goals and objectives set out in the State Program of the Russian Federation “Public Finance Management and Regulation of Financial Markets”, approved by the RF Government Decree No. 320 of April 15, 2014 (Subprogram 6 “Federal Property Management”), as well as to improvement of federal property management mechanisms in accordance with Section XII of the Concept for Improving Efficiency of Budget Spending in 2019—2024 approved by the RF Government Edict No. 117-r of 31.01.2019.

In reality, by the end of 2022 only Makhachkala Commercial Seaport remained in the list of major companies to be privatized based on special decisions of the

RF President and the RF Government with regard to the market situation and recommendations of leading investment consultants (Section I of the privatization program) after excluding Almazyuvelirexport Foreign Economic Association and VTB Bank (PAO) and transferring it to the next privatization program.

Thus, in 2022 privatization was conducted only in accordance with standard procedures. Finally, stocks of shares (shares in authorized capitals) of 54 economic entities, including one privatized by a special government decision of 2020 were sold and decisions on conditions of privatization of 62 FSUE approved (*Table 4*).

Table 4

Comparative data on dynamics of the privatization of federal state unitary enterprises, federal blocks of shares and objects of the state treasury of the Russian Federation in 2008—2022

Period	Number of privatized enterprises (objects) of federal property (according to Rosimushchestvo)		
	Privatized FSUE ^a , units	Sold blocks of shares of JSC, units.	Sold treasury facilities, units
2008	213	209 ^b	...
2009	316+256 ^c	52 ^b	...
2010	62	134 ^b	...
2008–2010	591+25 ^c	395 ^b	... ^f
2011	143	317 ^e /359 ^b	3
2012	47 ^f	265 ^e	40
2013	26	148 ^e	22
2011–2013	216	730 ^e	65
2014	33	107 ^e	12
2015	35 ^g	103 ^e	38
2016	60 ^g	179 ^e	282
2014–2016	125 ^g	389 ^e	332
2017	69	47	77
2018	4	46	173
2019	8	51	171
2017–2019	81	144	421
2020	16	23 ^h	312 ^h
2021	64	55	393
2022	62	54	223
2020–2022	142	132	928

^a All preparatory activities have been completed and decisions on the conditions of privatization made.

^b Taking into account blocks of shares including the announcement of their sale that took place in the previous year.

^c Number of FSUE for which the decision on corporatization was taken by the RF Ministry of Defense in addition to those where a similar decision was taken by the Federal Property Management Agency.

^d Available information on the sale of the facilities of other property in the specified period comes down to the sale of 4 facilities of the released immovable military property from October 2008 till January 2009, and also on the adoption of decisions on conditions of privatization and publication of information reports on the sale of facilities at the end of 2010 with results of their auctions made in 2011.

^e Excluding stock sales using help of investment advisors.

^f Calculated value is based on the report of the Federal Property Management Agency on fulfillment of the forecast plan (Program) of federal property privatization of 2011—2013 on the total number of FSUE, for which in 2011—2013 orders were issued on the conditions of privatization through conversion into JSC (216 units) and the data on the results of 2011 and 2013.

^g In respect of several enterprises decisions on privatization conditions were cancelled in 2015—2016 and adopted repeatedly, so the total number of FSUE, for which privatization decisions were adopted over 3 years separately, is somewhat higher than in the table data on results of 2014—2016 (125 units).

^h Taking into account blocks of JSCs and treasury facilities sold under the previous privatization program.

Sources: Report on the Rosimuschestvo activity in 2008; Report on the implementation of the forecast plan (program) of privatization of the federal property for 2009. M., 2010; Report of the Ministry of economic development on results of privatization of the federal property in 2010; Report of the Ministry of economic development on results of privatization of the federal property in 2011; Report on the implementation of the forecast plan (program) of privatization of the federal property for 2011—2013; The Rosimuschestvo reports on implementation of the forecast plan (program) of the federal property privatization for 2014—2016 in 2014, in 2015, in 2016; The Rosimuschestvo reports on implementation of the forecast plan (program) of the federal property privatization for 2017—2019 in 2017, in 2018, in 2019; The Rosimuschestvo report on implementation of the forecast plan (program) of the federal property privatization for 2020—2022 in 2020; The Rosimuschestvo report on implementation of the forecast plan (program) of the federal property privatization for 2020—2022 in 2021; The Rosimuschestvo report on implementation of the forecast plan (program) of the federal property privatization for 2022—2024 in 2022; URL: <http://rosim.gov.ru>.

Number of privatized unitary enterprises and sold blocks of shares (stakes in authorized capitals) of economic entities remained practically at the level of 2021, when after the failure in the first pandemic year it was possible to reach values exceeding or comparable to those relating to the period of the privatization program in 2017—2019.

Financial results were also exceedingly favorable. According to the Federal Treasury, the proceeds from sale of shares and other forms of participation in the capital owned by the federal government amounted to Rb7.8 bn at the end of the previous year, which exceeded twice the set budget target and the forecast of revenues in the privatization program for 2020—2022. Compared with 2021, the revenues increased by Rb2.53 bn. It was the maximum for the whole period of 2017—2022 leaving behind the results of the previous crisis years (2008 — about Rb6.7 bn, 2009 — about Rb2.0 bn, 2015 — about Rb6.3 bn).

The top three largest assets sold in 2022 included blocks of shares of JSC “Industrial Park Odintsovo-1” (Moscow Region)¹ (100%, Rb1,428.5 mn), “Zvezda Reductor” (St. Petersburg, mechanical engineering) (93.7%, Rb1,238.5 mn), “Electronic Trading and Security” (ETB, St. Petersburg) (100%, Rb401 mn).

Blocks of shares of 4 other JSCs were sold for no less than Rb200 mn, 4 out of 7 mentioned assets were sold by JSC “Auction House of the Russian Federation” (hereinafter JSC “RAD”), 1 by JSC “Direct Investments Agency.”² In total, independent sellers conducted 143 out of 185 bidding procedures for business entities (or more than 77%).

1 The main type of activity is leasing own space (production buildings, office premises, industrial warehouses).

2 Another 2 assets were sold by the Central Office of the Federal Property Management Agency, including the sale of JSC Pro-industrial Park Odintsovo-1.

The terms of agency agreements concluded between the Federal Property Management Agency and agents based on the results of selecting legal entities, which in accordance with the RF Government Edict perform functions of a seller in respect of blocks of shares (stakes) of economic companies included in the privatization program, have expired last year. Due to the expiration of the contracts and additional agreements it is logical to evaluate the performance of sellers of federal property in the previous two years.

JSC “RAD” played the main role. It conducted the alienation of shares (stakes) of 164 economic entities from the federal property under 3 agreements. However, only 71 entities (about 43%) actually managed to complete the transfer of ownership rights. Even taking into account 8 companies whose information notices on their sale have been published until December 31, 2022 and the ongoing privatization procedures in 2023, it can be stated that less than a half of the assets intended for this purpose have been sold.

With respect to 32 companies (19.5%), taking into account the expiration of the agency agreement, privatization activities are conducted by the Federal Property Management Agency, while with respect to 6 companies (3.7%) privatization activities have been canceled or suspended. However, a larger number of companies (46 units, or 28%) turned out to be unavailable for sale due to exclusion from the privatization program or preparatory measures for exclusion. If they are not accounted, the RAD JSC managed to sell about 60% of the entire array of assets intended for alienation.

The activity of other sellers complemented the efforts of the JSC “RAD” only to a small extent. The Agency of Direct Investments JSC succeeded in transferring the rights in respect of 10 out of 16 business entities (or 62.5%). One more company was sold by Rosimushchestvo. Taking into account the expiration of the agency contracts, the agency conducts privatization measures in respect of another 10 companies (5 companies from the number intended for sale to JSC Direct Investments Agency and Investment and Financial Company Solid, which has not realized any transactions).

New geopolitical situation forced to radically revise the access of independent agents to the organization of privatization process. By RF Government Edict No. 1100-r of May 4, 2022, the organizations possessing the share of direct or indirect participation of foreign investors in capital exceeding 50%, were excluded from the list of legal entities approved in 2010 for organizing sales on behalf of the Russian Federation of the privatized federal property and (or) acting as a seller. Finally, only 7 organizations remained out of 23, including Arowana Capital JSC which replaced VTB Capital. However, at the same time they got a wider range of activities, because in the new wording it concerns the list of legal entities for sale of all privatized state or municipal property, not only federal property.

Returning to the most significant transactions of the previous year, it can be noted that with regard to alienation of full (100%) block of shares of JSC “ETB” the Russian government issued a separate Decree dated 06.04.2022 No. 767-p, which was due to its specialization (sale of property in bankruptcy proceedings and seized property on the electronic platform), as well as management of real estate.

The sale was conducted by RAD JSC. The sale and purchase agreement concluded with Automated Information System of Trading LLC (AIST LLC) obliges it to fulfill the obligations listed in the document within 3 (three) years from the date of transfer of the property right to the shares of ETB JSC: (1) modernization of fixed assets and software used by the company to support its activities, namely an increase in the company's server capacity by at least 20% of the existing ones; (2) ensuring growth in the company's revenue from its activities related to the sale of debtors' property in the course of electronic procedures used in bankruptcy and (or) the sale of seized property by at least 10% annually compared to the previous year's figure; (3) maintaining business profile for the sale of debtors' property in electronic procedures applied in bankruptcy and (or) for the sale of seized property. It is not only the control of the Federal Property Management Agency (up to the termination of the contract), which is the guarantee to fulfill the conditions, but also payment of a fine in favor of the state in the amount of 10% of the share for each fact of violation of the obligations by the purchaser.

Similar government edicts were adopted in relation to the full (100%) shares of JSC "Publishing House "High School" and "Order of the October Revolution, the Order of the Red Banner of Labor "First Exemplary Printing House" (hereinafter — JSC "POT").

According to the first one, RAD takes measures to assess the market value of the block of shares and prepare a report on the material conditions of the transaction, including, inter alia, maintaining the profile of the said company, containing the proposals of JSC RAD on possible buyers of shares and their proposals regarding the price and other conditions of the transaction for the alienation of shares. With regard to the POT JSC block of shares, evaluation was completed aimed to conduct an auction for sale of the block of shares of this business entity.

Meanwhile, in reality there are negative examples of fulfilling the conditions stipulated by the decisions of the government by buyers of privatized property.

Thus, in the course of controlling measures after alienation of the full (100%) federal block of shares of JSC "Publishing house "Detskaya literatura" for 2021, Rosimushchestvo has revealed systematic violations by the buyer LLC "IKomInvest" of essential conditions established by the RF Government Edict of 6.02.2018 No. 169-r. In this respect, Rosimushchestvo filed a legal claim to the Arbitration Court of Moscow demanding to oblige the purchaser to return the block of shares of JSC "Publishing House "Detskaya Literatura" into federal ownership.¹

At present, Rosimushchestvo continues to exercise control over the compliance of Yug-Businesspartner LLC (the buyer) with the terms and conditions of the RF Government Edict dated 31.08.2020 No. 2211-r on alienation of the federally owned block of shares of Adler Stud Trout Breeding Farm JSC. However, the Government Edict does not provide for Rosimushchestvo even the right to demand termination of the contract, as in the cases of JSC ETB and POT.²

1 The main activity is the provision of own space for rent (production buildings, office space, industrial warehouses).

2 Another 2 assets were sold by the Central Office of the Federal Property Management Agency, including the sale of Odintsovo-1 Industrial Park JSC.

In contrast to the privatization of JSC companies (economic entities) and results of the two previous years, more modest results were achieved by selling the property of the state treasury of the Russian Federation. As regards this category of assets, the powers to conduct privatization measures were fully delegated to the territorial bodies of Rosimushchestvo.

The number of facilities sold constituted 223 units vs 393 and 312 in 2021 and 2020, respectively. Despite the reduction by more than 43% compared to 2021, it exceeded the number of sold blocks of shares (stakes) by more than 4 times. According to the operative data of the Federal Treasury, the amount of transfers to the federal budget was about Rb0.94 bn comparable to results of 2020 (Rb0.9 bn.) and 2021 (Rb1.03 bn.). In accordance with the Rosimushchestvo Order No. 258 dated December 17, 2021 on measures to implement the law on the federal budget for 2022—2024, the revenues under this item were planned in the amount of Rb168,175,700. Thus, the percentage of the implementation of the plan task at the end of the year amounted to 560%.¹

Negative dynamics in the sale of assets under construction (hereinafter — AUC) can serve as a vivid illustration of the situation with the privatization of treasury property.

Out of 32 objects of federal property (board lots) comprising 52 AUC included in the privatization program, 16 facilities (half) comprising 33 AUC (63.5%) were sold, which is 3—4 times less than a year before. For comparison: in 2021 it was possible to sell 47 facilities (about 84% of the total number included in the FPP) within 121 AUC (more than 90%).

Another feature of privatization of the treasury property in 2022 was the active work of Rosimushchestvo in respect of confiscated property resulted from corruption offenses and transferred into federal ownership in accordance with court decisions. In November–December 2022, 10 out of 41 board lots with such real estate facilities (land plots and non-residential premises) were sold at open auctions. According to abstract 3, item 17, Article 46 of the RF Budget Code, the income from the sale of corrupted property shall be credited to the budget of the Pension Fund of the Russian Federation.

As in previous years, only part of the privatized federal property is of interest to potential investors. Nevertheless, the sales success rate in terms of the ratio of number of sold assets and conducted tenders, was comparable to the indicators of the previous year and amounted to 28.6% for blocks of shares (stakes) and 30.1% for treasury facilities against 30.7% and 28.4% respectively for 2021.

When comparing results achieved within three-year interval of 2020—2022 with results of implementation of the privatization program in 2017—2019, a 2.2-fold increase in the number of sold treasury facilities and privatized FSUEs by more than 1.7 times can be noted, whereas the number of sold blocks of shares (stakes) in economic entities was somewhat lower (by about 8%). In 2023 results

¹ Report of Rosimushchestvo on fulfillment of the Forecast Plan (Program) of federal property privatization for 2022—2024 in 2022; Report of Rosimushchestvo on fulfillment of the Forecast Plan (Program) of federal property privatization for 2020—2022 in 2021; Report of Rosimushchestvo on fulfillment of the Forecast Plan (Program) of federal property privatization for 2020—2022 in 2020.

on announced sales in respect of 17 business entities and 65 treasury facilities should be summed up.

In order to expand informing of potential buyers under implementation of changes introduced into Section I of the Privatization Program by RF Government Edict No. 2417-r of 24.08.2022, Rosimuschestvo created departmental pages on Avito, CYAN and Domklik websites.

Links are posted on the official website of Rosimushchestvo in the section “Current sales of federal property”. The departmental web site was improved to provide more user friendly access to the information on the federal property to be privatized by means of transition on current sales to the official website of the Russian Federation on the Internet (URL: www.torgi.gov.ru) and placement of the list of the treasury property, for which privatization measures are conducted and which are planned for privatization, in the section “Other Property Planned for Privatization” of the section “Privatization”.

Likewise, to increase the efficiency of realization of the privatization program, to improve transparency of privatization procedures and additional marketing of privatized property, Rosimushchestvo and its territorial bodies hold “investment hours” to inform potential buyers about current and planned sales of federal property.

In 2022 in the course of implementation of 23 Executive Orders of the President of the Russian Federation and 27 RF Government Edicts on establishment/expansion of vertically integrated structures (VIS) the Rosimuschestvo took measures to form 12 VIS. By the end of the year the respective decisions on conditions of privatization were taken in respect of two FSUE, 52 JSC and 403 treasury facilities. Among the integrated structures expanded in 2022, there are state corporations (SC) Rostec and Roscosmos, Almaz-Antey Aerospace Defense Corporate Group JSC, Tactical Rocket Arms Corporation, United Shipbuilding Corporation, Marine Instrumentation Corporation, Krymenergo, RusHydro, Main Center for Reproduction of Agricultural Animals, Russian Railways, Russian Post, Kavkaz. RF”, VTB Bank (PAO), JSC “Transinzhstroy.”

The RF Government Edict No. 3718-r of 2.12.2022 approved a new version of the forecast privatization plan (program). De facto it is a new privatization program for 2023—2025.

Compared with a similar document for 2022—2024, the text has undergone minimal adjustments. Now it does not mention the FSUE inclusion in the privatization plan, marked currently by restrictions on privatization, so as to transform these enterprises into joint stock companies after removing restrictions on their privatization in the prescribed manner. However, it should be noted that changes approved by RF Government Edict No. 2417-r of 24.08.2022 remained in force.

In terms of the quantity, in 2023—2025 it is planned to complete privatization of 23 FSUE and government enterprises, 160 business entities (including stakes in 9 limited liability companies), as well as 28443 objects of other property of the RF Treasury. These values differ significantly from those contained in the privatization program for 2022—2024.

However, if the number of commercial organizations included in the program was visibly reduced (FGUP by 3.6 times, business associations by 28%), the number of privatized facilities of other RF treasury facilities in FPP 2023—2025 was 25 times more. As it follows from the report of Rosimuschestvo on fulfillment of the forecast plan (program) of privatization of federal property in 2022—2024, their major part (27 887 units or 98%) is to be contributed to the authorized capital of integrated structures, and in respect of 27 455 units the Ministry of Defense of the Russian Federation is responsible for contribution of the state to the authorized capital of JSC Oboronenergo.¹ Thus, it is possible to sell only about 550 state treasury facilities of the Russian Federation. Taking into account the dynamics of privatized assets in other categories, it can be assumed that the content of the new privatization program reflected the need to use the property owned by the state on a larger scale than it was imagined before the spring of 2022.

As for the revenues to the federal budget from privatization of federal property excluding the cost of shares of the largest companies holding leading positions in respective sectors of economy, they will amount in 2023—2025 to Rb1.5 bn annually.

The projected annual volume of revenues is about 1.7 times as much as the amount stated in the Forecast Plan (Program) of privatization for 2022—2024 (approved by RF Government Edict No. 3993-r of 30.12.2021), i.e. Rb0.9 bn for 2023. For comparison: the initial version of the privatization program 2020—2022 provided for annual revenues of Rb3.6 bn (the later version for 2022 amounted to Rb3.9 bn).

It is difficult to assess the feasibility of the forecast of privatization revenues under the new economic and political situation, especially beyond the year 2023. It should be taken into consideration that the specified annual amount of budget revenues does not include the funds potentially obtained in the course of transactions with shares of major companies privatized applying special decisions of the RF President and the RF Government with regard to the market conditions and recommendations of the leading investment consultants.

Like in the previous privatization program, in 2023—2025 it is planned to terminate the state participation in the authorized capital of JSC Makhachkala Commercial Seaport, while in relation to JSC Almazyuvelirexport Foreign Economic Association such perspective was not mentioned anymore,² as well as the reduction of state participation in the authorized capital of VTB Bank (PAO) to 50% plus one ordinary registered share. If the FPP 2022—2024 in the context of major companies occupying a leading position in the relevant industries, allowed to transform 3 FSUE and state-owned enterprises (“National Fishery Resources”),

¹ The RF Government Edict of 20.05.2022 No. 1265-r determines the list of property planned to be contributed to the charter capital of Oboronenergo JSC as payment for additional shares placed by this JSC in connection with growth in its charter capital. These shares are transferred into federal ownership as part of the property of the Russian Armed Forces, which is managed by the Russian Ministry of Defense.

² The possibility of the state withdrawal from Almazyuvelirexport in FPP 2022—2024 was allowed after the transfer of its authority to export precious metals and gems and sell representative batches of rough diamonds to another authorized agency.

Amur Plant “Vympel”, “Space Communications”) into JSCs if the RF President takes a decision on their exclusion from the list of strategic organizations, the new privatization program until 2025 planned corporatization only of the enterprise “National Fish Resources”.

This year, substantial changes were made to the current Privatization Law of 2001. First of all, the possibility to privatize property beyond the privatization program, which had been discussed for a long time, was finally implemented.

With the aim to accelerate the speed of involvement in economic turnover of immovable and movable property of the state treasury not demanded by the state for the performance of its functions, the RF Government received the right to establish the procedure for formation and approval of the list of federal property not included in the forecast plan (program) of privatization for a planned period, as well as introduction of changes to the above list.

The list of federal property to be privatized without inclusion in the privatization program shall be approved by the federal executive authority (FBEA) authorized by the Government of the Russian Federation for a period from 1 to 3 years. Such list specifies the characteristics of federal property subject to privatization and its expected timing. However, this authority cannot be delegated to the FBEA empowered to exercise the functions of privatization of federal property.

The criterion for including property (except for shares and stakes in charter capitals of business companies as well as property to be contributed to charter capitals of JSCs) in the above list is its market value determined in accordance with legislation of the Russian Federation on appraisal activities. It shall not exceed Rb100 mn. In this respect, the principle of integrity and unity of facilities is established and division (splitting) is not allowed.

The introduction of the mentioned cost criterion (Rb100 mn) caused the differentiation of requirements to the deposit for participation in the main privatization procedures.

When selling at auction, by tender and through public offering the bidder pays a deposit of 20% of the initial price specified in the information message on the sale of state or municipal property, amounting to Rb100 mn or more. If the starting price is less than Rb100 mn, the amount of the deposit is reduced by half to 10%. In the previous version this value was the same, amounting to 20% of the initial price. A document record serves as a document confirming the receipt of the deposit specified in the information notice.

With regard to selling at auction, it is established that bids on the price of state or municipal property are declared by participants of the auction openly in the course of bidding. According to results of the auction an agreement is concluded with the winner of the auction. If only one person, recognized as the only participant of the auction, applied for participation, the contract is concluded with him/her at the starting price. Previously, an auction where only one participant participated was recognized as failed. Now this becomes possible only if the person recognized as the only participant of the auction refuses to conclude a contract. Notification on recognizing a participant of the auction the winner or the only participant of the auction shall be sent on the auction closing day.

Introduction of such categories as property privatized beyond the privatization program and the person recognized as the sole participant in the auction in the new version, resulted in addition of several rules to the law on privatization (the content of the report on results of privatization of federal property submitted to Parliament, information support of privatization, specifics of privatization of the concession facilities and river ports, payment of remuneration to legal entities organizing sales or performing the functions of the seller. For the latter, it becomes possible to sell not only at auction or by public offering, but also at a competition, as well as through the implementation of the prerogative right to purchase in cases prescribed by law.

Another innovation concerning privatization in electronic form was the obligation of the seller and the electronic platform operator to ensure the confidentiality of information about bidders and participants of the sale, except for information posted for the privatization information support.

Development of innovations related to privatization beyond the privatization program, the RF Government Decree of 22.09.2022 No. 1673 adopted the Formation and Approval Rules of the list of federal property privatized without including in the forecast plan (program) of privatization of federal property for a planned period, as well as changes to this list.

The Ministry of Finance of the RF has been approved as the authorized FEB, which assigns the Rosimushchestvo a task to draw up a draft list of respective property to be privatized according to a new scheme.

By analogy with the rules of forming the privatization programs to be approved by the Government of the Russian Federation, the draft of the above list includes proposals for amendments to the current list in part:

- a 1-year shift in the start and end dates of its planning period;
- exclusion of property which privatization has been completed;
- addition of facilities, which privatization is possible in the planned period mentioned in the list.

In the course of its formation, the proposals of federal executive bodies, public authorities of the federal territory Sirius, legal entities and individuals received by Rosimushchestvo are taken into account.

The Agency should present a draft of the list to the Ministry of Finance of the Russian Federation in a special form not later than November 15 of the year preceding the scheduled period of the list, attaching extracts from the Unified State Register of Real Estate (USRN) and the register of federal property in respect of its facilities to be included in the list, as well as other documents in accordance with the task to prepare a project.

To confirm the market value of the facilities to be included in the list, the link to the Internet for access to the report on the assessment of its market value, prepared in accordance with the legislation of RF on valuation activities, is posted on the information resource specified for posting the information contained in the Unified State Register of Real Estate on the facts of legal entities activities, in accordance with the Valuation Act in RF of 1998 (No. 135-FZ).

The list shall be approved by the Ministry of Finance of the Russian Federation not later than 10 working days before the beginning of the planned period of its validity. Further, within 7 working days from the date of signing of the respective order of the Ministry of Finance the Federal Property Management Agency places the list on the official website in the Internet to inform on privatization of state and municipal property in accordance with the law on privatization as well as on the official website of the Agency.

The report on the results of privatization of the federal property included in the list for the accounting year shall be placed on the same information resources no later than 10 working days from the date of its submission to the Ministry of Finance (before February 1). The Agency in its turn should submit to the government of the Russian Federation a report on the results of privatization of the above property in the accounting year not later than February 15. It should be reminded that according to the law on privatization, the government shall submit to parliament a report on the results of privatization of federal property for the previous year annually not later than May 1, including facilities privatized beyond the forecast plan (program).

A special form of the report specifying the number of facilities included in the list, proceeds to the federal budget, number of facilities for which the auction was held, have been approved. The number of actually privatized facilities should be given in a breakdown of the 5 main methods of privatization with an indication of the amount of sales prices, and for auctions, tenders and through public offering also the amount of initial bidding prices should be indicated.¹

Evaluating the considered innovations regarding privatization beyond the privatization program, one can note the following.

First, prerequisites for simplification and acceleration of sale of a large number of low value and limited liquidity facilities without regard to their inclusion in the forecast privatization plan were established due to: (1) halving the size of the deposit for the sale of property with a market value of up to Rb100 mn, (2) exclusion of the regulation on the failure of the auction if there was one participant and the property was sold to him at initial cost. Regional investors, including representatives of small business and individual entrepreneurs are usually called addressee of such measures. However due to the universal nature of innovations their role as an additional incentive to participate in the tenders is not obvious for the mentioned economic entities.

Second, selection of the value threshold the amount of Rb100 mn for the sale of federal property beyond privatization program raises questions.

Proceeding from the data of the budget reporting on revenues of the federal budget from privatization of property owned by the RF in the part of non-financial assets of the Treasury and Rosimushchestvo information on its sale, the average price of one treasury facility sold in 2020—2021 was in the range of Rb2.5—3.0 mn, having slightly increased in 2022 (Rb4.2 mn). It seems that the application of a new scheme, at least at the initial stage, requires a certain approbation, and

¹ The amount of initial prices is not specified for the sale without a price announcement and in the order of the preferential right (including small and medium-sized businesses).

this, based on the practice of the last 3 years, implies the use of a value much smaller than the established bar with its gradual increase, taking into account the accumulation of real experience and the current inflation.

Third, it is quite logical that the possibility of privatizing beyond the forecast plan (program) of privatization is still limited to the federal level, excluding shares and stakes in the charter capitals of business companies, as well as property to be contributed to the charter capitals of JSCs. At the same time, it looks rather controversial to allow privatization beyond the privatization program of such categories of property as facilities of the concession agreement, a river port.

Fourth, it should be noted that introduction of a regulation providing possibility to conclude a contract for the sale of property with a person recognized as the only bidder inevitably weakens the competitive basis of privatization.

In the previous format, the offer to sell the facility proposed for sale by public offering was the result of a failed auction, which potentially allowed the expansion of the circle of participants in a new cycle of trading with the theoretical possibility of increasing the price. However, in reality it happened very seldom.¹ The budget, on the other hand, faced a loss of profit, since the basic scheme of this method of privatization represents bidding on the lowering of the initial offer price with a cut-off price, i.e. the minimum bid price at which state or municipal property can be sold equal to 50% of the initial price of the failed auction.

The possibility of concluding an agreement for the sale of property with a person recognized as the only bidder at the auction, naturally gives priority to this method of privatization², which makes the secondary methods marginal (sales through public offering and without an announced price).

Fifth, the role of the Ministry of Finance in the implementation of privatization policy continued to grow. However, despite the formal exclusion of FEB empowered to exercise the functions of privatization of the federal property from the approval of the list of property to be privatized outside the privatization program, in practice the role of the Rosimuschestvo under the new scheme turns out to be more than visible. In turn, this reduces the burden on the Government of the Russian Federation, contributing to the concentration of its efforts to address more significant issues.

The list of federal property to be privatized without being included in the privatization program for the years 2023—2025 approved for the first time by the Ministry of Finance Order of 15.12.2022 No. 553 contains 151 board lots (273 facilities), including 18 board lots (about 12%) of confiscated property acquired through corruption offenses, converted into federal ownership in accordance with court decisions.

¹ If several participants in the sale through public offering confirm the price of the initial offer or the offer price formed on one of the “steps of decrease”, the auction is held with all participants under the established rules of its conduct, which provide for an open form of submitting proposals for the price of property. The initial price of state or municipal property in such an auction is the initial bid price or the bid price formed at this “step down”.

² For the first time the auction was recognized as valid with the presence of a single participant in the sale of 100% of shares of JSC “Gimetpostavka” for Rb395.000 by JSC “Russian Auction House” at the auction. URL: <http://rosim.gov.ru> (28.09.2022).

Another block of innovations in the law on privatization relates to the state participation in joint-stock companies (JSC).

There was a modification of the format of using the special right of participation in the management (“golden share”) in relation to JSCs.

Previously, such a decision could be made to ensure the national defense capability and state security, protection of morals, health, rights and legitimate interests of citizens during the privatization of property complexes of unitary enterprises, the decision to exclude JSC from the list of strategic organizations regardless of the number of shares owned by the state.

The new version supplements the range of such situations with a case when the RF Government made a decision on alienation of federally owned shares of JSCs of strategic importance for national defense and state security in accordance with the Law of 2008 “On Procedures for Foreign Investment in Business Entities of Strategic Importance for National Defense and State Security” (No. 57-FZ), if the federal block of shares in such companies will be less than 25% plus 1 share as a result of such alienation.

The changes governing the contribution of property to the share capital of joint stock companies are critical.

Now 100% of shares of another JSC may be contributed by the Russian Federation to the charter capital of a JSC with 100% of shares in federal ownership. Previously this was not possible, as the Law on joint-stock companies 1995 (No. 208-FZ) prohibited a company from having as its sole founder (shareholder) another business company consisting of one person, unless otherwise established by federal law. During the construction of integrated structures, this norm contributed to preserving single shares in federal ownership, which assisted to excessive dispersion of capital, creating an illusory impression of the capacity of federal agencies to influence the management processes by means of a single share.

It has also been established that privatization of 100% of federally owned shares of the main JSC, which owns 100% of shares of the subsidiary JSC, may be conducted only where the main company terminates its participation in the subsidiary or ceases to be its sole shareholder. This new norm is designed to ensure proper management of integrated structures by the state, contributing to coordination of property and industrial policy.

Moreover, the abundant list of property categories, alienation of which is not covered by the law on privatization is supplemented by weapons, ammunition, military and special equipment, spare parts, components and devices, explosives, blasting supplies, powders, all kinds of rocket fuel, as well as special materials and special equipment for their production, special equipment of paramilitary organizations, normative and technical supplies for their production. In this case the influence of the involvement of the country in the armed conflict is quite obvious.

5.1.3. The state participation in the economy and issues of public sector management

Changes in the list of strategic enterprises and joint-stock companies were relatively few.

In 2022 it included 5 FSUE and 2 JSC. At the same time, 13 FSUE and 2 JSC were excluded from the list of strategic organizations. Almost all of the excluded enterprises (except for one)¹ are to be transformed into joint-stock companies followed by transfer of 100% of their shares to Rostec State Corporation as an asset contribution from the state.

It should be noted that along with 2 FSUE it also concerns the transformation of 10 federal treasury enterprises into joint-stock companies, which seems to be quite radical, because having a specific industry affiliation (the ammunition and special chemistry industry), they bypass the stage of being in the organizational and legal form of a unitary enterprise on the right of economic management.

In a pair of excluded JSCs there is “Roskartografia”, which after the merger of 22 JSCs is subject to accession to the public-law company (PLC) “Roskadastr”. Another JSC included in the list of strategic organizations quite recently (in the spring of 2022) is excluded due to the inclusion of all of its shares in the charter capital of Transinzhstroy JSC. Accordingly, the threshold of state corporate control in this organization is increased from 38% to 50.3%.

Throughout the year, the expansion of a number of integrated structures continued, including the United Shipbuilding Corporation (USC), Center for Livestock Reproduction (CLR), Russian Railways, Oboronenergo, Russian Post, KAVKAZ.RF and Rostec State Corporation.

The majority of the blocks of shares contributed to their authorized capitals are minority ones (in a number of cases these are single shares). Examples of few exceptions are the transfer of 100% of shares of 1 JSC to Rostec State Corporation in addition to the above unitary and state enterprises subject to corporatization, and the contribution to the charter capital of the CLR of all (except one) shares of JSC “Training and experimental dairy plant” of the Vologda State Dairy Academy named after N.V. Vereshchagin (trademark — “Vologda butter”).

It should be recalled that corporatization of this enterprise with attempts to sell it in 2015—2016 was the subject of serious friction between the federal center and the regional administration relying on the negative public perception of its privatization.

Strengthening of the state’s position in the banking sector should be underlined.

Initially, it is about concentration of assets in VTB Bank (PAO), the second most important bank in Russia.

First, all 100% shares of the Russian National Commercial Bank (RNKB, Simferopol), which after 2014 was the main link of the domestic banking system in Crimea after its reunification with Russia, will be contributed to its authorized capital when most Russian banks refuse to operate in the region due to the sanctions pressure. The prerequisite is that the RNCB retains its status as a legal entity.

¹ Transferred into FSUE.

Second, at the end of the year, the VTB completed its acquisition of 100% of Otkrytie Bank, which has been rehabilitated since 2017 by the Central Bank of Russia. The transaction amounted to Rb340 bn with more than a third (about Rb107 bn) being paid in federal loan bonds (OFZ).¹

Also, in connection with growth of Promsvyazbank share capital, 100% of the shares of JSC Moscow Industrial Bank have been accepted into the treasury of the Russian Federation from the State Corporation (SC) “Deposit Insurance Agency” by reducing to that amount the property contribution of the Russian Federation, made into the property of SC “Deposit Insurance Agency” in accordance with the budget law for 2008—2010, are transferred as the state contribution.

Withdrawal of foreign companies from Russia resulted in strengthening of the state position in the automotive industry as well. The share of French company “Renault” in CJSC “Renault Russia” (100%) was transferred to the Moscow Government and renamed from CJSC “Renault Russia” to JSC “Moscow Automobile Plant “Moskvich”. The recipient of Renault’s stake in AvtoVAZ (67.7%) was the Central Automotive and Motor Vehicle Research Institute NAMI. In both cases it is about selling assets at a symbolic price with a buy-back option, allowing the former owners of the assets to get them back within 5—6 years.²

Mentioning the management mechanism of public sector organizations, one can note the following innovations.

The RF Government Decree of 10.04.2002 No. 228, which regulates the procedure for approval of FSUE activity programs, was amended covering the transfer of profits to the federal budget.

By analogy with innovations in dividend policy for JSC having federal shareholdings adopted in 2021, the definition of net profit is differentiated depending on the application of International Financial Reporting Standards (IFRS).

If the legislation of the Russian Federation does not require the company to prepare consolidated financial statements in accordance with IFRS, aimed to identify part of the profit of the enterprise to be transferred to the federal budget, the net profit for the previous year calculated according to the accounting (financial) statements prepared in accordance with the Federal Law “On Accounting” is accepted without the profit recognized as:

- incomes and expenses associated with the recognition (recovery) of losses from the depreciation of fixed and intangible assets, as well as their write-offs (except for write-offs associated with the sale);
- the difference between the valuation of financial investments at current market value at the reporting date and their previous valuation;
- incomes and expenses associated with difference in the rate of exchange.

If the legislation of the Russian Federation does require the company to prepare consolidated financial statements in accordance with IFRS aimed to identify part of the profit of the enterprise to be transferred to the federal budget, profit for the previous year calculated according to the consolidated accounting (financial)

¹ URL: www.rbc.ru

² Ibid.

statements prepared in accordance with the Federal Law “On Accounting” is accepted without the profit recognized as:

- incomes and expenses associated with the recognition (recovery) of losses from the depreciation of fixed and intangible assets, as well as their write-offs (except for write-offs associated with the sale);
- incomes and expenses associated with the change of fair cost of financial assets determined according to IFRS;
- incomes and expenses associated with the difference in the rate of exchange;
- profits or losses that have been allocated to non-controlling interests in a business entity determined in accordance with IFRS, during the reporting period.

A similar approach is used when an entity prepares consolidated financial statements in accordance with IFRS in the absence of a respective obligation.

For all these situations, if the amount to be transferred to the federal budget exceeds the amount of net profit as determined by the accounting (financial) statements of such enterprise, retained earnings are used for the transfer.

The minimum rate approved in 2018 for transferring profit remaining at the enterprise after payment of taxes (mandatory payments), financing the implementation of activities to develop the enterprise approved as part of its program for the current fiscal year, and mandatory contributions to the enterprise funds (at least half of the adjusted profit of the enterprise for the previous year, unless otherwise established by acts of the RF Government).

However, there is a direct indication that transfer to the federal budget less than 50% of the adjusted profit of the enterprise, which has obtained the status of a state scientific center of the Russian Federation with proper justification, possibly based on the acts of the RF Government providing for reduction of the calculated profit by the amount of actual documented expenses connected with updating of the material and technical base and formation of the scientific-technical reserve for creation of new competitive technologies.

Likewise, the RF Government Decree of 03.12.2004 No. 739 dedicated to powers of federal executive bodies (FBEA) in exercising rights of the owner of the FSUE property, was amended with regard to decisions that provide for the transfer to the federal budget of part of the enterprise’s profit.

A laconic wording appeared that this refers to the authority of the federal executive bodies in respect of subordinate FEB, including those under the privatization program.

The previous edition in this part was more verbose, describing profit (excluding income and expenses from the revaluation of companies’ shares traded on the securities market and corporate income tax related to these income and expenses), to which the minimum bar of transfer (not less than 50%) was applied after reduction by the amount of costs for the implementation of measures to develop the company approved in the program of its activities.

For enterprises obliged to prepare financial statements, including consolidated one, the same threshold applied under IFRS indicating that this is the net profit

determined according to such statements (without indicating the items of expenses that reduce its value).

Another small innovation concerns attestation of the FSUE executives. Previously, setting up the attestation commissions for enterprises subordinate to federal executive bodies (FBEA) under jurisdiction of federal ministries was the exclusive prerogative of the ministries. The new version stipulates that the respective commissions may be set up by FEB on their own, however, agreed with the ministries.¹

In the context of management of economic entities with state participation, the Ministry of Finance of Russia was authorized to exercise on behalf of the state (by agreement with the Ministry of Construction of Russia) the rights of a shareholder in ordinary registered uncertified shares of JSC DOM.RF acquired at the expense of the National Welfare Fund (NWF). As in the case of Aeroflot (since 2021), the general Regulation on the procedure for management of federally owned shares in JSCs and use of the special right of the Russian Federation to participate in management of Joint Stock Companies (“golden share”) approved by the RF Government Decree No. 738 dated December 3, 2004 does not apply to management of the above shares.

5.1.4. Budgetary effect of state property policy

In 2022, in contrast to the previous year, federal budget revenues, in one way or another related to state property, showed obvious growth, especially in terms of revenues from the use of state property (from renewable sources). Payment of dividends by companies with state participation as a derivative of profit growth played principal role, which, in turn, was largely determined by increased revenues from energy exports due to rising energy prices and the impact of domestic inflation. Revenues from privatization and property sales (from non-renewable sources) grew insignificantly.

Below (*Tables 5, 6*) are the data on revenues from the reporting on the execution of the federal budget in terms of using state property and its sale only for a certain range of material objects.²

1 It does not apply to attestation of the FSUE executives subordinate to FBEA, whose activities are managed by the President of the RF or the Government of the RF. For this group of companies, the attestation commissions are formed by these bodies.

2 Revenues from the federal budget received as payments for natural resources (including water biological resources, income from the use of forests and subsoil use), compensation for agricultural production losses associated with the removal of agricultural land, as a result of financial operations (income from the placement of budget funds (income from the federal budget balances and from their placement, since 2006 also income from the management of the Stabilization Fund of Russia) are not considered (Reserve Fund and National Welfare Fund since 2009), income from placement of amounts accumulated in the course of auctions for the sale of shares owned by the Russian Federation), interest received from granting budget loans within the country at the expense of the federal budget, interest on state loans (receipts from foreign governments and their legal entities in payment of interest on loans extended by the Russian Federation, receipts from legal entities, (enterprises and organizations), RF regions, municipal structures in payment of interest and guarantees on credits received by RF from governments of foreign countries and international financial organizations)), from provision of paid services or compensation of state expenditures, transfer of profit to the Central Bank, some payments from state and municipal enterprises and organizations (patent duties and registration fees for

In contrast to previous years, the laws on the execution of the federal budget for 2015—2020 do not contain aggregate data on the codes of types, subtypes of revenues, classification of operations of the public administration sector related to budget revenues (they are given only by classification codes in the context of administrators of revenues). Therefore, we used data from the annual reports on the execution of the federal budget as of January 1, 2016, 2017, 2018, 2019, 2020, 2021 and operational as of January 1, 2022.

Table 5

**Federal budget revenues from using state property (renewable sources)
in 2000—2022, Rb mn**

Year	Total	Share dividends (2000—2022) and other equity income (2005—2022)	Rent for state-owned land	Income from renting out state-owned property	Income from transferring part of the profit remaining after taxes and other obligatory payments of FSUE	Revenues from other sources (2000—2007 and 2011) — from joint venture Vietsovpetro activities and 2018—2022 — from transfer of property in pledge, trust management
2000	23 244.5	5 676.5	—	5 880.7	—	11 687.3 _a
2001	29 241.9	6 478.0	3 916.7 _b	5 015.7 _c	209.6 _d	13 621.9
2002	36 362.4	10 402.3	3 588.1	8 073.2	910.0	13 388.8
2003	41 261.1	12 395.8		10 276.8 _e	2 387.6	16 200.9
2004	50 249.9	17 228.2	908.1 _f	12 374.5 _g	2 539.6	17 199.5
2005	56 103.2	19 291.9	1 769.2 _h	14 521.2 _i	2 445.9	18 075.0
2006	69 173.4	25 181.8	3 508.0 _h	16 809.9 _i	2 556.0	21 117.7
2007	80 331.85	43 542.7	4 841.4 _h	18 195.2 _i	3 231.7	10 520.85
2008	76 266.7	53 155.9	6 042.8 _h	14 587.7 _i	2 480.3	—
2009	31 849.6	10 114.2	6 470.5 _h	13 507.6 _i	1757.3	—
2010	69 728.8	45 163.8	7 451.7 _h	12 349.2 _j	4 764.1	—
2011	104 304.0	79 441.0	8 210.5 _h	11 241.25 _j	4 637.85	773.4

official registration of computer programs, databases and integrated circuit topologies and other income, which until 2004 inclusively were part of payments from state organizations (except income from joint venture Vietsovpetro since 2001 and transfer of profit of FSUE since 2002)), income from the sale of production sharing agreements (PSAs), income from the disposal and sale of confiscated and other property converted to state ownership (including that transferred to state ownership through inheritance or donation, or treasures), income from lotteries, other income from using property and rights in federal ownership (income from the disposal of rights to intellectual property (R&D and technological works) of military, special and dual-use purposes, income from the disposal of rights to the results of scientific and technical activities owned by the Russian Federation, income from the operation and use of road property, a fee from the passage of motor vehicles registered in other states, the exclusive right of the Russian Federation to the results of intellectual property in the field of geodesy and cartography, payment for the use of spatial data and materials that are not objects of copyright contained in the federal fund of spatial data and other receipts from the use of property owned by the Russian Federation), as well as from the permitted activities of organizations, credited to the federal budget, receipts from the sale of state reserves of precious metals and precious stones.

Year	Total	Share dividends (2000—2022) and other equity income (2005—2022)	Rent for state-owned land	Income from renting out state-owned property	Income from transferring part of the profit remaining after taxes and other obligatory payments of FSUE	Revenues from other sources (2000—2007 and 2011) — from joint venture Vietsovpetro activities and 2018—2022 — from transfer of property in pledge, trust management
2012	228 964.5	212 571.5	7 660.7 _k	3 730.3 _i	5 002.0	—
2013	153 826.25	134 832.0	7 739.7 _k	4 042.7 _i + 1 015.75 _n	6 196.1	—
2014	241 170.6	220 204.8	7 838.7 _k	3 961.6 _i + 1 348.5 _n	7 817.0	—
2015	285 371.1	259 772.0	9 032.3 _k	5 593.8 _i + 1 687.8 _n	9 285.2	—
2016	946 723.35/ 254 328.3 _n	918 969.1 226 574.1 _o	9 412.4 _k	5 843.25 _o + 3 026.7	9 471.9	—
2017	275 168.2	251 327.0	9 825.1 _k	5 318.4 _q + 2 857.7 _m	5 840.0	—
2018	333 396.13	312 565.8	9 783.0 _k	1 988.6 _q + 2 922.6 _m	6 136.0	0.13
2019	465 974.25	441 620.4	12 051.65 _k	1 290.4 _q + 3 239.2 _m	7 616.9	155.7
2020	451 764.45	422 667.6	10 498.7 _k	7 655.3 _o + 2 509.2 _m + + 28.8 _p	8 404.7	0.145
2021	36 4721.3	339 493.2	12 806 _k	1 207.7 _o + 3 615.4 _m + + 24.1 _p	7 572.4	2.481
2022	777988.7	753 471.6	13 827.3 _k	1 209.3 _o + 3 494.8 _m + + 876.4 _p	5 077.9	31.4

^a According to the Ministry of property relations of the Russian Federation, the law on the execution of the federal budget for the year 2000 did not specify a separate column, while it was the amount of payments from state enterprises (Rb 9887.1 mn) (without any specific components).

^b The amount of rent (i) for agricultural land and (ii) for urban and settlement land.

^c The amount of incomes from lease of property assigned to (i) research organizations, (ii) educational institutions, (iii) healthcare institutions, (iiii) state museums, state cultural and art institutions, (iiiii) archival institutions, (iiiii) Ministry of Defense of the Russian Federation, (iiiii) organizations of the Ministry of Railways of the Russian Federation, (iiiii) research service organizations of academies of sciences with the state status, and (iiiii) other incomes from lease of state-owned property.

^d According to the Ministry of property relations of the Russian Federation, the law on the execution of the federal budget for the year 2001 did not specify a separate column, the value coincided with the value of other income in payments from state and municipal organizations.

^e Total amount of incomes from leasing out state-owned property (without the allocation of land rents).

^f Amount of rent (i) for urban and settlement lands and (ii) for federally owned lands after the delimitation of state land ownership.

^g Amount of incomes from leasing out property assigned to (i) scientific organizations, (ii) educational institutions, (iii) health care institutions, (iiii) state cultural and art institutions, (iiiii) state archival institutions, (iiiii) postal institutions of federal postal service of the RF Ministry of digital development, communications and mass media of the Russian Federation and (iiiii) other incomes from leasing out federally owned property.

^h Lease payment after the delimitation of state ownership of land and funds from sale of the right to conclude lease agreements for federally owned land (excluding land plots of federal autonomous (2008—2011) and budget (2011) institutions).

ⁱ Incomes from renting out property in the operational management of federal government bodies and relatively established institutions and in the economic management of FSUE: transferred for operational management to (i) research institutions having state status, (ii) institutions of research service of the Russian Academy of sciences and sectoral Academies of sciences, (iii) educational institutions, (iiii) healthcare institutions, (iiiii) federal postal institutions of the Federal

Communications Agency, (iiiiii) state cultural and art institutions, (iiiiiii) state archival institutions, and (iiiiiiii) other income from renting out property located in the operational management of federal government bodies and respectively established institutions and in the economic management of FSUE¹ (for 2006—2009 without income from permitted activities and use of federal property located outside the RF territory, received abroad, which were not specified in the previous years²).

^j Incomes from renting out property in the operational management of federal government bodies and relatively established institutions (except for autonomous and budgetary institutions): transferred for operative management to (i) research institutions, (ii) institutions of research service of the Russian Academy of sciences and sectoral academies of sciences, (iii) educational institutions, (iiii) healthcare institutions, (iiiii) state cultural and art institutions, (iiiiii) state archival institutions; (iiiiiii) in the operational management of the Ministry of Defense and its subordinate institutions (2010), (iiiiiiii) in federal ownership managed by the Presidential Affairs Department (2010) according to the Edict, and (iiiiiii) other incomes from renting out property in the operational management of federal government bodies and their established institutions (without income from permitted activities and use of federal property located outside the RF territory, received from abroad).

^k Rent after the demarcation of state ownership of land and funds from sale of the right to conclude lease agreements for federally owned land (except for land plots of federal budget and autonomous institutions), as well as (i) rent for land plots located within the right-of-way of federally owned public highways (2012—2022),

(ii) payment from the implementation of agreements on establishment of easements over the land within the right-of-way of public highways of federal importance for the construction (reconstruction), overhaul and operation of road service facilities, laying, relocation, rebuilding and operation of utilities, installation and use of advertising structures (2012 and 2014—2022), (iii) payment under agreements to establish easements over federally owned land plots (2015—2022), (iiii) amount of unreasonable gains for using federally owned land with the right to dispose them is granted to federal government agencies in accordance with Russian legislation (2020—2022), (iiiii) payment for public easement, as provided for by the decision of the authorized body to establish public easement over land plots owned by federal government agencies (2020—2022), (iiiiii) payment received under the agreement for granting the right to locate and operate a non-stationary trading facility, install and use advertising structures on federally owned land or land plots whose state ownership is not demarcated (2022).

^l Incomes from renting out property under the operational management of federal government bodies and their relatively established institutions (except for budgetary and autonomous institutions): transferred under the operational management of: (i) research institutions, (ii) educational institutions, (iii) healthcare institutions, (iiii) state institutions of culture and art, (iiiii) state archival institutions; (iiiiii) other income from renting out property operationally managed by federal government agencies, (iiiiiii) federal government agencies, the Bank of Russia and authorities managing state non-budgetary funds of the Russian Federation, (iiiiiiii) federal government agencies (2015 only) (without income from use of federal property located outside the Russian Federation received abroad).

^m Income from leasing out property constituting part of the treasury of the Russian Federation (excluding land plots).

ⁿ Excluding funds received from the sale of Rosneft shares (Rb692.395 bn) (excluding payment of interim dividends).

^o Data for 2016-2022 are presented in aggregated form without distinguishing groups of institutions by industry. The generalized classification includes only 2 categories of income depending on the recipient of income from leasing (federal government agencies, the Bank of Russia and management bodies of state non-budgetary funds of the Russian Federation and federal treasury institutions).

^p Amount of unreasonable gains for using property (excluding land plots) in federal ownership with the right to dispose in accordance with Russian law is granted to federal government agencies.

Sources: Federal budget execution laws for 2000—2014; Federal budget execution reports as of January 1, 2016, January 1, 2017, January 1, 2018, January 1, 2019, January 1, 2020, and January 1, 2021 annual); URL: <http://roskazna.gov.ru>; Report on the execution of the RF consolidated budget

1 In 2008—2009, FSUE are not mentioned as a source of income from renting out property in their economic management, and renting out property in the operational management of federal government bodies and their relatively established institutions excludes the property of federal autonomous institutions.

2 In the years 2008—2009, FGUPs are not mentioned as a source of income from renting out property in their economic management, and renting out property in the operational management of federal government bodies and institutions created by them excludes the property of federal autonomous institutions.

and budgets of state extra-budgetary funds as of January 1, 2022; URL: <http://budget.gov.ru>; Preliminary report on the execution of the federal budget as of January 1, 2023; Federal Treasury; own calculations.

Cumulative income from renewable sources more than doubled in 2022 compared with the previous year, amounting to about Rb778 bn.

This was mainly due to the payment of dividends to the budget (Rb753.5 bn), which rose 2.2-fold against the indicator of 2020 (Rb339.5 bn), exceeding the previous maximum of 2019 (Rb441.6 bn). At the same time, transfers of part of profits by unitary enterprises decreased by 1/3. In terms of their absolute value (Rb5.1 bn), they were comparable to the 2012 level.

The cumulative revenues from leasing out federal property increased by more than 15% (up to Rb5.6 bn). This was mainly due to a radical increase in payments of amounts of unreasonable gains for using property (excluding land plots) in federal ownership with the right to manage in accordance with RF legislation is vested in federal government bodies (from Rb24.1 mn to Rb876.4 mn or more than 36 times). Revenues from renting out property owned by the treasury of the Russian Federation (excluding land plots) decreased by 3.3% (to Rb3.5 bn), while revenues from renting out property located in the operational management of federal government bodies and their established institutions (excluding budget and autonomous institutions) remained at the level of 2021 (Rb1.2 bn). The amount of budget revenues from land lease increased by nearly 8% (about Rb13.8 bn).¹

Dividends accounted for the lion's share (about 97%) in the overall structure of federal budget revenues from renewable sources, the same as a year earlier, increasing by 4 p.p. as compared with 2021. Due to this, the specific weight of all other sources decreased by 2—3 times: the share of land lease payments was 1.8% (3.5% a year ago), property lease payments — 0.7% (1.3% a year ago), profits transferred by FSUE — 0.6% (2.1% a year ago).²

¹ As in the previous year, the amount of income from land rent includes income received in the form of rent for land located in the right-of-way of public highways of federal importance, which are in federal ownership (Rb7.5 mn), payment from the implementation of agreements on the establishment of servitudes in respect of land in the borders of the right-of-way of public highways of federal importance for the purposes of construction (reconstruction), overhaul and operation of road service facilities, laying, transfer, rebuilding and operation of utilities, installation and operation of advertising structures (Rb38.6 mn), payment under agreements on establishment of easements concluded by federal executive authorities, state enterprises or institutions in respect of land plots owned by the federal government (Rb160.7 mn), as well as payment for public easements to be allocated from 2021, stipulated by the decision of the authorized body to establish a public easement with regard to land plots owned federally (except for land plots that are owned federally and the exercise of the powers of the Russian Federation to manage and dispose of which is delegated to state authorities of RF regions) and not granted to individuals and legal entities (except for state authorities (state bodies), local governments (municipal bodies), management bodies of state extra-budgetary funds and government agencies) (Rb0.5 mn), the amount of unreasonable gains for using federally owned land plots with the right to manage in accordance with Russian legislation was granted to federal government bodies (Rb252.2 mn), as well as the fee received for the first time under the contract for the right to locate and operate a non-stationary trading facility, installation and operation of advertising structures on land or land plots owned by the federal government and on land or land plots whose state ownership is not demarcated (Rb22.9 mn). The data for 2020—2021 are recalculated taking into account amounts of unreasonable gains for using land plots.

² In the classification of federal budget revenues from the use of property in recent years a new source has appeared — the funds received from the transfer of federally owned property (excluding

Referring to the analysis of federal budget revenues from privatization and sales of state property (*Table 6*), it should be noted that since 1999 revenues from sales of the main part of such assets (shares, and lands in 2003—2007)¹ have been treated as sources of financing of its deficit.

Table 6

**Federal budget revenues from the privatization and sale of property
(non-renewable sources) in 2000—2022, million rubles**

Year	Total	Sale of shares in the federal ownership (2000–2022) and other forms of participation in the authorized capital (2005–2022) ^a	Sale of land plots	Sale of various property (excluding movable property of budgetary and autonomous enterprises, as well as property of state unitary enterprises, including treasury)
2000	27 167.8	26 983.5	–	184.3 ^b
2001	10 307.9	9 583.9	119.6 ^c	217.5 + 386.5 + 0.4 (HMA) ^d
2002	10 448.9	8 255.9 ^e	1967.0 ^f	226.0 ^g
2003	94 077.6	89 758.6	3 992.3 ^h	316.2 + 10.5 ⁱ
2004	70 548.1	65 726.9	3 259.3 ^j	197.3 + 1364.6 + 0.04 (HMA) ^k
2005	41 254.2	34 987.6	5 285.7 ^l	980.9 ^o
2006	24 726.4	17 567.9	5 874.2 ^m	1 284.3 ^p
2007	25 429.4	19 274.3	959.6 ^o	5 195.5 ^d
2008	12 395.0	6 665.2 + 29.6	1 202.0 ^q	4 498.2 + 0.025 (HMA) ^r
2009	4 544.1	1 952.9	1 152.5 ^q	1 438.7 ^r
2010	18 677.6	14 914.4	1 376.2 ^q	2 387.0 + 0.039 (HMA) ^r
2011	136 660.1	126 207.5	2 425.2 ^q	8 027.4 ^r
2012	80 978.7	43 862.9	16 443.8 ^q	20 671.7 + 0.338 (HMA) ^r
2013	55 288.6	41 633.3	1 212.75 ^q	12 442.2 + 0.310 (HMA) ^r
2014	41 155.35	29 724.0	1 912.6 ^q	9 517.7 + 1.048 (HMA) ^r
2015	18 604.1	6 304.0	1 634.55 ^q	10 665.5 + 0.062 (HMA) ^r
2016	416 470.5	406 795.2	2 112.7 ^q	7 562.6 + 0.012 (HMA) ^r
2017	21 906.7	14 284.5	1 199.6 ^q	6 421.3 + 1.3 (HMA) ^r
2018	28 252.0	12 787.5	1 660.6 ^q	13 803.7 + 0.2 (HMA) ^r
2019	20 129.3	11 527.5	1 647.5 ^q	6 954.3 ^r
2020	27 961.5	12 570.7	3 235.5 ^q	11 247.2 + 1.9 (HMA) ^r + 906.2 ^s
2021	20 265.85	5 272.0	2 455.6 ^q	11 492.4 ^r + 1 045.85 ^s
2022	20 642.7	7 792.5	1 733.9 ^q	10 173.5 ^r + 942.8 ^s

^a The amount of Rb29.6 mn in 2008 (according to the data of the Report on the Federal Budget Execution as of January 1, 2009) is treated as a source of internal financing of the federal budget deficit, but is not included in the law on the Federal Budget Execution for 2008.

^b Proceeds from the privatization of state-owned organizations attributable to the sources of internal financing of the federal budget deficit.

^c Income from the sale of land plots and lease rights to state-owned land plots (with the allocation of those in which privatized enterprises are located), attributable to federal budget revenues.

the property of federal budgetary and autonomous institutions, as well as the property of federal state unitary enterprises, including state ones), in pledge, in trust management. However, its role in the structure of income from renewable sources was insignificant (Rb31.4 mn).

¹ In 2003–2004 including the sale of right for rent.

^d The amount of revenues from (1) the sale of federally owned property attributable to sources of internal financing of the federal budget deficit, (2) revenues from (i) the sale of apartments, (ii) the sale of state production and non-production funds, transport facilities, other equipment and other tangible assets, and (3) revenues from the sale of intangible assets (IA) attributable to federal budget revenues.

^e Including Rb6 mn from sales of shares in the ownership of RF regions.

^f Revenues from the sale of land and intangible assets, the amount of revenues from which was not separately allocated, attributable to federal budget revenues.a.

^g Proceeds from the sale of state-owned property (including Rb1.5 mn from the sale of property owned by constituent entities of the Russian Federation) attributable to the sources of internal financing of the federal budget deficit.

^h Includes proceeds: (1) from sale of land plots on which real estate located prior to alienation in federal ownership, credited to the federal budget, (2) from the sale of other land plots, as well as from the sale of the right to conclude lease contracts, (3) from the sale of land after the differentiation of land ownership, as well as from the sale of the right to conclude lease contracts, credited to the federal budget, referred to the sources of internal financing of the federal budget deficit.

ⁱ The amount of (1) proceeds from the sale of federally owned property attributable to sources of internal financing of the federal budget deficit, and (2) proceeds from the sale of intangible assets attributable to federal budget revenues.

^j Includes proceeds: (1) from the sale of land plots prior to the delimitation of state ownership of land on which immovable property located prior to alienation in federal ownership, which are credited to the federal budget, (2) from sale of other land plots, as well as from sale of the right to conclude agreements on their lease, (3) from sale of land plots after demarcation of land ownership, as well as from sale of the right to conclude agreements on their lease, enrolled in the federal budget, attributable to the sources of internal financing of the federal budget deficit.

^k The amount of (1) proceeds from the sale of federally owned property attributable to the sources of internal financing of the federal budget deficit, (2) proceeds (i) from the sale of apartments, (ii) from the sale of equipment, vehicles and other tangible assets credited to the federal budget, (iii) from the sale of ship recycling products, (iiii) from the sale of property of FSUE, institutions and military property, (iiiii) from the sale of weapons, military equipment and ammunition recycling products, (3) income from the sale of intangible assets (IA) attributable to the federal budget revenues.

^l Includes proceeds: (1) from sale of land plots before division of state ownership of land on which real estate located before alienation in federal ownership, (2) from the sale of land plots after division of state ownership of land, credit to the federal budget, (3) from the sale of other land plots owned by the state before the delimitation of state ownership of land and not designated for housing construction (the latter clarification applies only to 2006), attributable to the sources of financing of the federal budget deficit.

^m Revenues from sale of tangible and intangible assets (net of federal budget funds from the disposal and sale of confiscated and other property converted to state revenue) include revenues (i) from the sale of apartments, (ii) from the sale of FSUE property, (iii) from the sale of property in the operational management of federal institutions, (iiii) from the sale of military property (iiiii) from the sale of recycled products from weapons, military equipment and ammunition, (iiiii) from the sale of other federally owned property, (iiiii) from the sale of intangible assets, attributable to federal budget revenues

ⁿ Income from sale of tangible and intangible assets (excluding income in the form of the state's share of profitable production under production sharing agreements (PSAs) and federal budget funds from the disposal and sale of escheat, confiscated and other property turned over to the state) includes income (i) from the sale of apartments, (ii) from the sale of the FSUE property, (iii) from sale of property in the operational management of federal institutions, (iiii) from sale of military property, (iiiii) from sale of products of the utilization of weapons, military equipment and ammunition; (iiiii) income from sale of other property in federal ownership, attributable to federal budget revenues.

^o Proceeds from sale of land plots after the delimitation of land ownership, which are in federal ownership, attributable to the sources of financing the federal budget deficit.

^p Revenues from sale of tangible and intangible assets (excluding revenues in the form of the state's share of profitable production under production sharing agreements (PSAs) and federal budget funds from the disposal and sale of escheat, confiscated and other property converted to state revenue, funds from sale of sequestered wood) include income (i) from sale of apartments, (ii) from sale of the FSUE property, (iii) from sale of property in the operational management of federal institutions, (iiii) from sale of released tangible and intangible military and other property of federal executive bodies where military and equated to it service is provided, (iiiii) from sale of military products from reserves of federal executive bodies under military-technical cooperation, (iiiii) income from sale of

other property in federal ownership, referred to the income of the federal budget

¶ Income from sale of federally owned land plots (excluding land plots used by federal budgetary and autonomous institutions) (except for 2019—2022) attributable to federal budget revenues, as well as for 2015 and 2021—2022 also the payment for expanded in terms of area privately owned land plots as a result of the reallocation of such land plots and federally owned land plots.

⌞ Revenues from sale of tangible and intangible assets (excluding revenues from the state's share of profit production in the performance of production sharing agreements (PSA), federal budget funds from the disposal and sale of escheat, confiscated and other property turned over to the state, funds from the sale of sequestered wood (2008—2011), income from the release of material assets from state reserves of special raw and fissile materials (in terms of revenues from their sale), from temporary lending and other use), as well as for the years 2012—2020 without funds from the sale of timber obtained during the protection, conservation, re-production of forests when placing state orders for their implementation without the sale of forest plantations for timber harvesting, as well as timber obtained from the use of forests located on lands of the forest fund, in accordance with Articles 43—46 of the Forest Code of the Russian Federation), income from commodity interventions from the federal intervention fund of agricultural products, raw materials and foodstuffs, from release of tangible assets from the state reserve, from engaging prisoners in paid labor (in terms of selling finished products), from selling special storage products) include income from (i) sale of apartments, (ii) sale of property in the operational management of federal institutions (excluding autonomous and budget institutions (2011—2022)), minus funds coming from activities of foreign missions (2015—2022), (iii) sale of released movable and immovable military and other property of federal executive bodies, in which military and equivalent service is stipulated, (iiii) sale of products of utilization of weapons, military equipment and ammunition, (iiiii) sale of military products from the federal executive bodies' reserves as part of military-technical cooperation (2008 and 2010—2022), (iiiii) sale of weapons and military equipment recycling products as part of the federal target program "Industrial disposal of weapons and military equipment" (2005—2010).) (up to and including 2017), (iiiii) sale of immovable property of budgetary and autonomous institutions (2014—2018 and 2020—2022), (iiiii) sale of other federally owned property, as well as income from sale of intangible assets (IA) attributed to the federal budget revenues.

⌟ Revenues from privatization of property owned by the Russian Federation in terms of non-financial assets of the treasury.

Sources: Federal budget execution laws for 2000—2014; Federal budget execution reports for January 1, 2016, January 1, 2017, January 1, 2018, January 1, 2019, January 1, 2020, and January 1, 2021 (annual); URL: <http://roskazna.gov.ru>; Report on the execution of the RF consolidated budget and budgets of state extra-budgetary funds as of January 1, 2022; URL: <http://budget.gov.ru>; Preliminary report on the execution of the federal budget as of January 1, 2023; Federal Treasury; own calculations.

In absolute terms, federal property budget revenues from non-renewable sources increased by 1.9% in 2022 (to more than Rb20.6 bn), slightly exceeding the 2019 level.

Receipts from the sale of shares rose by almost 48% (to Rb7.8 bn), which for the entire period since 2000 is surpassed only by the indicators of the crisis years 2008-2009 and 2015. Income from the sale of land plots decreased by more than 29%, amounting to about Rb1.7 bn.³ This was slightly higher than the level of 2018—2019. Revenues from the sale of various property also decreased (by more than 11%), and their absolute value amounted to more than Rb11.1 bn, including

1 This income article is missing from 2021 reports.

2 In the accounts for 2021, the funds received from activities carried out by foreign institutions were not singled out. Therefore, the total amount of revenues from the sale of property under the operational management of federal agencies is probably somewhat overstated.

3 Including revenues from the sale of land plots, the state ownership of which is demarcated, which are used by budgetary and autonomous institutions (Rb4.4 mn). A year earlier, according to budget reporting data, they amounted to Rb76.4 mn. Respective values of previous years presented in the Information of the Federal Treasury on the indicators characterizing the efficiency of state property management: 2015 — Rb0.433 mn, 2016 -Rb 2.381 mn, 2017 — Rb4.962 mn, 2018 — Rb0.1835 mn, 2019 — Rb40.1 mn, 2020 — Rb298.3 mn.

revenues from the privatization of property owned by the Russian Federation, in terms of non-financial assets of the Treasury (Rb942.8 mn).

As a result, the bulk of the proceeds provided by the sale of property (in aggregate) — about 54%¹ (in 2021 — 62%), the sale of shares accounted for about 38% (in 2021 — 26%), and the sale of land — 8.4% (in 2021 — about 12%).

However, the aggregate volume of federal budget revenues from privatization (sale) and use of state property in 2022 (*Table 7*) has more than doubled in comparison with the previous year (up to Rb798.6 bn).

Table 7

Structure of federal budget material property revenues from various sources in 2000—2022

Year	Aggregate revenues from privatization (sale) and use of state property		Revenues from privatization and sale of property (non-renewable sources)		Income from using state property (renewable sources)	
	Rb mn	% of total	Rb mn	% of total	Rb mn	% of total
2000	50 412.3	100.0	27 167.8	53.9	23 244.5	46.1
2001	39 549.8	100.0	10 307.9	26.1	29 241.9	73.9
2002	46 811.3	100.0	10 448.9	22.3	36 362.4	77.7
2003	135 338.7	100.0	94 077.6	69.5	41 261.1	30.5
2004	120 798.0	100.0	70 548.1	58.4	50 249.9	41.6
2005	97 357.4	100.0	41 254.2	42.4	56 103.2	57.6
2006	93 899.8	100.0	24 726.4	26.3	69 173.4	73.7
2007	105 761.25	100.0	25 429.4	24.0	80 331.85	76.0
2008	88 661.7	100.0	12 395.0	14.0	76 266.7	86.0
2009	36 393.7	100.0	4 544.1	12.5	31 849.6	87.5
2010	88 406.4	100.0	18 677.6	21.1	69 728.8	78.9
2011	240 964.1	100.0	136 660.1	56.7	104 304.0	43.3
2012	309 943.2/ 469 243.2*	100.0	80 978.7/ 240 278.7*	26.1/ 51.2*	228 964.5	73.9/ 48.8*
2013	209 114.85	100.0	55 288.6	26.4	153 826.25	73.6
2014	282 325.95	100.0	41 155.35	14.6	24 1170.6	85.4
2015	303 975.2	100.0	18 604.1	6.1	28 5371.1	93.9
2016	1363193.85/ 670798.85**	100.0	416470.5	30.6/ 62.1**	946723.35/ 254328.35	69.4/ 37.9**
2017	297074.9	100.0	21906.7	7.4	275168.2	92.6
2018	361648.13	100.0	28252.0	7.8	333396.13	92.2
2019	486103.55	100.0	20129.3	4.1	465974.25	95.9
2020	479725.95	100.0	27961.5	5.8	451764.45	94.2
2021	384987.15	100.0	20265.85	5.3	364721.3	94.7
2022	798631.4	100.0	20642.7	2.6	777988.7	97.4

* Taking into account funds received by the Central Bank from sale of Sberbank shares (Rb159.3 bn), which probably slightly overestimates the total share of non-renewable sources, due to the fact that the budget did not receive these funds in full, but after deduction of their book value and the

1 Including revenues from the privatization of property owned by the Russian Federation in terms of non-financial assets of the treasury (4.6%).

amount of costs associated with the sale of these shares. Accordingly, the share of renewable sources is probably somewhat understated.

** Excluding funds received from the sale of Rosneft shares (Rb692.395 bn) (net of the payment of interim dividends).

Sources: Federal budget execution laws for 2000-2014; Federal budget execution reports for January 1, 2016, January 1, 2017, January 1, 2018, January 1, 2019, January 1, 2020, and January 1, 2021 (annual); URL: <http://roskazna.gov.ru>; Report on the execution of the RF consolidated budget and budgets of state extra-budgetary funds as of January 1, 2022; URL: <http://budget.gov.ru>; Preliminary report on the execution of the federal budget as of January 1, 2023; Federal Treasury; own calculations.

It was the highest since the early 2000s with the exception of 2016, when the sale of shares in Rosneft took place with the proceeds sent to the federal budget in the form of dividends from Rosneftegaz.

The structure of total revenues from privatization (sale) and use of state property shifted even more towards the latter. Revenues from using state property amounted to about 97.4%, ranking second in absolute value, while revenues from privatization and sale of property amounted to about half the value of 2014, roughly corresponding to the level of 2019 and 2021.

5.1.5. Reformatting state property policy

Over the past few years, the format of the fundamental document of state property policy has changed three times.

Just before the pandemic began, the state program (SP) “Federal Property Management”, which had been in effect since 2013 as a separate document, became a sub-program (SP) within the SP “Economic Development and Innovative Economy”. However, due to the increasing role of the financial department in the issues of property policy, at the very end of 2020 the PP “Management of Federal Property” was included in another SP “Public Finance Management and Regulation of Financial Markets”, operating since 2014 under the auspices of the Ministry of Finance.¹ This was the format of its implementation during 2021, which should be recognized as very successful.

Since the beginning of 2022, the abovementioned SP “Public Finance Management and Regulation of Financial Markets” with a component part is the PP “Federal Property Management”, acts in a new version, approved by RF Government Decree of 25.09.2021 No. 1613.

It became much more compact and laconic. The only target of the SP in this part is to ensure by 2030 growth of revenues from dividend payments of economic companies, the shareholder (participant) rights in which are exercised by Rosimushchestvo, by at least 2.5 times (as compared with 2021). Indicator 6 of the SP “Growth of income from dividend payments of economic companies where rights of the shareholder (participant) are exercised by Rosimushchestvo” corresponds to the declared objective.

In the previous version of the GP, it was the “Share of economic companies, where rights of a shareholder (participant) are exercised by the Federal Property

¹ For a detailed analysis of the reformatting of the “Federal Property Management” program, see *Malginov G., Radygin A. Privatization Dynamics and State of Property Relations: Actual Trends // Economic Development of Russia. 2021. No. 8, Pp. 47-57.*

Management Agency, which ensured transfer of dividend payments (distribution of profits among participants) of at least 50% of net profit, in the total number of such economic companies”. Besides, the PP had an extensive set of 7 indicators.¹

Improving the federal property management quality and maximizing revenues from the use of federal property will be achieved by: (1) digital transformation of accounting processes of federal property, as well as property with special treatment, (2) formation of an optimal composition of federal real estate, (3) ensuring long-term sustainable growth of the value of assets and revenues from the management of state-owned companies and reducing state participation in the activities of companies in competitive markets. This toolkit is identical to the one declared in the previous version as of the yearend of the 2020 GP.

The expected results by 2030 in the area (subprogram) are as follows:

- growth in revenues from dividend payments of economic entities where rights of the shareholder (participant) exercised by Rosimushchestvo, not less than 2.5 times (against 2021);
- setting up a digital profile of federal property (including its overall data: area, cost characteristics, categorical affiliation, information on location, rights holders, actual use, investment potential, were translated into digital format);
- forming digital system based on artificial intelligence (AI), which allows the preparation of management solutions regarding federal property in an automated mode (a complete rejection of transactions with federal property using paper media);
- ensuring alienation of property not used by public authorities of the Russian Federation to perform state functions within a period not exceeding 6 months from the date of the relevant decision from federal property register;
- ensuring involvement in economic turnover for agricultural use of not less than 60% of the total number of agricultural land plots owned by the federal government;
- growth to 65% of the share of facilities belonging to state treasury of the Russian Federation involved in economic turnover against the total number of facilities of the state treasury of the Russian Federation at the end of the reporting year.

If this list is compared with what was stated in the previous version, one can note the following.

First, the trend towards digitalization of management processes has been maintained and strengthened. First of all, it is about digitization of processes related to accounting and disposition of federal property, as well as property under special treatment, and integration by 2024 of the federal state information and analytical system “Unified State Property Management System” (USPMS) with

¹ In addition to those discussed above, these were the shares of sold property facilities of the RF state treasury and blocks of shares in JSCs (stakes in business companies) to be sold in accordance with the forecast plan (program) of privatization, as well as the coincidence of information in the register of federal property and other state information systems containing information on objects of federal property.

systems of federal executive bodies containing relevant information about all facilities of federal property (except for information constituting state secrets), based on primary data of other information systems containing data on such property.

In the new version the results relate to the creation of a digital profile of federal property (i.e., conversion of all information into digital format) and formation of a digital system based on AI, which allows to prepare management solutions in an automated mode and implies complete rejection of transactions with federal property using paper media.

Second, the set of results excludes the provision of safety (servicing and maintenance) of the RF state treasury property, identification of inefficiently used or misused federal property and its redistribution between users aiming to form an optimal composition of federal property, as well as the implementation of the forecast plan (program) of privatization of federal property.

Instead, of all this it is stated to ensure the alienation of property from federal property, not used by public authorities of the Russian Federation to perform state functions, within a period not exceeding 6 months from the date of the relevant decision.

Third, there was a partial modification of results describing the involvement of federal property in economic turnover and measured quantitatively.

With regard to the share of the RF state treasury facilities involved in economic turnover, at the end of the reporting year there was a mechanical growth in the planned values from 35% in 2024 to 65% in 2030 against their total number.

A close result (not less than 60%) is now declared separately for agricultural land plots owned by federal government (without specifying their belonging to the treasury), provided that their involvement is for agricultural use.

However, no mention was made of other results describing the work using land resources, namely formation and clarification of boundaries of land plots with an area of at least 415.000 hectares, as well as inclusion of their information in the USRIP by 2024, and Rosimushestvo providing more than 11.000 land plots for lease from 2021 to 2024.

Fourth, the same concerned results describing the activity of companies with state participation: growth to 95% of the share of business entities where shareholder (participant) rights are exercised by Rosimuschestvo, which ensured the transfer of dividend payments (distribution of profits among participants) in the amount of at least 50% of net profit, and growth to 55% of the share of business entities where the shareholder (participant) rights are exercised by Rosimuschestvo and FSUE ensuring a return on assets at least 85% of the industry's average level.

In this part the declared result in the new version coincides with the objective of the GP and its only indicator is growth in revenues from dividend payments of business entities, where rights of the shareholder (participant) are exercised by Rosimushchestvo, by at least 2.5 times (by the level of 2021).

At the same time, unlike previous editions, there are no annexes to this document, including those that previously indicated the total amount of allocations

from the federal budget with their annual distribution and intermediate values of indicators for the entire period of implementation.

The realities of the new economic and political situation resulted in the adjustment of the SP “Management of Public Finance and Regulation of Financial Markets” by RF Government Decree No. 2572 of 31.12.2022.

The SP “Management of federal property” means the following: the goal of the GP in this part is stated as “To ensure by 2030 the growth of income from management of federal property by at least 2 times (to 2021)” instead of growth from dividend payments of economic entities where rights of a shareholder (participant) are exercised by Rosimushstvo, by at least 2.5 times (to 2021). Growth of revenues from the management of federal property is also declared as an indicator of SP and the first of the expected results in this trend. At the same time another result began to look much less ambitious. The share of facilities of the RF state treasury involved in economic turnover against total number of facilities of the RF state treasury at the end of reporting year should increase to 44% (vs. 65% in the previous edition).

* * *

The first year of implementation of the federal privatization program in the new format with an annual shift in the start and end dates of the forecast privatization plan, despite the new economic conditions, was marked by very decent results.

The number of privatized unitary enterprises and sold blocks of shares (stakes) in business companies remained at the level of 2021, although the number of sold treasury facilities dropped significantly. Despite the fact that transactions in respect of the largest assets intended for privatization according to individual schemes did not take place as expected, the proceeds from the sale of shares and other forms of participation in the capital owned by the federal government exceeded twice the value of the budgetary assignment and the forecast of proceeds contained in the privatization program, suddenly being the highest in recent years.

Further prospects of privatization process are connected with another shift of the terms of the beginning and the end of the current program for 2 years, i.e. for 2023—2025. Its quantitative parameters differ significantly from those of the previous program.

While the number of privatized commercial organizations has decreased (FSUE by 3.6 times, economic companies by 28%), the number of privatized facilities of other property of the RF treasury was 25 times higher. However, the vast majority are to be contributed to the authorized capital of integrated structures. The group of companies for privatization according to individual schemes shrank to a minimum, including the corporatization of large FSUEs. Taking this into account it can be assumed that the content of the new privatization program reflected the

need to use property owned by the state on a larger scale than it was imagined before the spring of 2022.

Important changes were made to the law on privatization. They permit to carry out privatization of property with initial cost of less than Rb100 mn without its inclusion into the privatization program according to the list approved by the Ministry of Finance.

To stimulate privatization process, the size of the deposit for the sale of property in accordance with this value threshold was reduced twice (from 20 to 10%) and the possibility to conclude an agreement with a person recognized as the sole bidder at auction introduced. At the same time there is an additional reason for the Government of the Russian Federation to make a decision on the use of a special right (“golden share”) in relation to JSCs.

The number of economic entities classified as federal property continued to decrease. A comparison of values as of November 2021 and September 2022 from the forecast privatization plans shows that the number of unitary enterprises over this period decreased by more than 40%, and the number of economic societies fell by about 15%. At the same time, the data analysis from various sources (system of indicators for assessing the effectiveness of state property management and privatization programs) shows further development of the trend to increase the share of companies where the state could exercise full corporate control. Nevertheless, the group of companies with minority-sized federal blocks of shares remains quite large and is almost equal in number.

The balance of changes in the list of strategic organizations has developed towards its reduction mainly due to unitary enterprises. It is natural for the new economic and political situation to continue forming vertically integrated structures by the state, complemented by the activation in the market of mergers and acquisitions, including the acquisition of assets previously owned by foreign companies. This was most evident in the banking sector and the automobile industry.

Among the innovations in the management of economic entities of the public sector is the transition to a differentiated definition of net profit of FSUE depending on how they apply IFRS (similar to JSC, which have federal stakes), while confirming the previous standard of profit transfer to the budget (at least 1/2).

Revenues from renewable sources dominated (more than 97%) in the structure of federal budget revenues from privatization (sale) and use of state property as in the previous year. Their main part still consisted of dividends transferred to the budget with their amount more than doubled. To a large extent, this was the result of a favorable pricing environment on global energy markets.

However, a drop in the absolute value of revenues was the case for most of the sources. Significant exceptions were the income from the sale of shares, income from the lease of land and payment of amounts of unreasonable gains for using property (except for land plots) owned by the federal government with the right to manage them granted to federal government bodies in accordance with the legislation of the Russian Federation.

The realities of the new economic and political situation resulted in the adjustment of the SP “Management of public finances and regulation of financial markets” at the very end of 2022. In the direction “Management of the federal property” the focus on the growth of income from dividend payments of economic companies, where rights of shareholder (participant) are exercised by Rosimushchestvo, is replaced by growth of income from management of the federal property on the whole by 2030 by at least 2 times (by the level of 2021). At the same time the degree of involvement of the RF state treasury property facilities into economic turnover becomes much less as compared with the previous edition.
