

By Maksim Goldin

Changes in the Regulatory Base of the Budgetary Process

In October 2012, the following changes were introduced in the regulatory base of the budgetary process: some provisions of the Budget Code of the Russian Federation have been suspended as regards limitation of the period of introduction of amendments to the legislation on taxes and duties and the legislation which regulates budget legal relations which results in changes in revenues of budgets of the budgetary system of the Russian Federation; veterans of combat operations are made entitled to receive a lump-sum cash payment for building or buying of housing; amendments which make housing privatization rules simpler for certain categories of people have been approved..

Federal Law No. 175-FZ of October 16, 2012 on Suspension of Individual Provisions of the Budget Code of the Russian Federation suspends till January 1, 2013 individual provisions of the Budget Code of the Russian Federation as regards limitation of the period within which amendments can be introduced to the legislation on taxes and duties and the legislation which regulates budget legal relations which results in changes in revenues of budgets of the budgetary system of the Russian Federation.

It is to be reminded that according to Article 53 (2) of the Budget Code of the Russian Federation federal laws on amendment of the legislation of the Russian Federation and federal laws regulating budget legal relations which result in changes in revenues of budgets of the budgetary system of the Russian Federation and coming into effect in the next financial year and the planned period are to be approved within a month from the date a draft federal law on the federal budget in the next financial year and the planned period is submitted to the State Duma. Similar rules are envisaged for lower levels of the budgetary system of the Russian Federation.

In addition to the above, according to Article 174 (2)¹ of the Budget Code of the Russian Federation it is required that such federal laws providing for amendment of the RF legislation on taxes and duties as were approved after the date the draft federal law on the federal budget in the next financial year and the planned period was submitted to the State Duma and resulting in changes in revenues (expenditures) of budgets of the budgetary system of the RF should include provisions specifying that the above federal laws come into effect not earlier than January 1 of the year following the latest financial year.

The above provisions of the Budget Code of the Russian Federation are aimed at upgrading predictability of the budget policy and stability of the budget system. However, in practice both before and after submission of a draft federal law on the budget to the State Duma a large number of federal laws is approved with effective dates set before January 1 following the latest financial year. So, for securing the principles of stability and predictability of the budgetary process it is vitally important to take decisions quickly in allocation of budgetary funds and it was for those reasons the above amendments were developed and approved.

By **Federal Law No. 169-FZ of October 16, 2012** on Amendment of Article 23.2 of the Federal Law on Veterans, veterans of combat operations are made entitled to receive a lump-sum cash payment for building or buying of housing.

Federal Law No. 169-FZ was approved for the purpose of implementation of Cl.6 of Instructions No. VP-P12-595 of January 31, 2011 of V.V. Putin, Premier of the Government of the Russian Federation. The above instructions were issued on the basis of the results of the meeting with representatives of veteran public organizations held on January 19, 2011.

So, in accordance with Article 23.2 (3.2) of the Federal Law on Veterans from October 27, 2012 veterans of combat operations and persons made equal to them who are in need of better housing conditions and were registered prior to January 1, 2005 are entitled to receive a lump-sum cash payment for building or buying housing whose size is determined on the basis of the total floor area of 18 sq. meters and average market price of a sq. meter of housing (prevailing in the respective constituent entity of the Russian Federation) set by monthly Orders of the Ministry of Regional Development of the Russian Federation.

By **Federal Law No. 170-FZ of October 16, 2012** on Amendment of Article 2 and Article 11 of the Law of the Russian Federation on Privatization of the Housing Fund of the Russian Federation, amendments which make privatization of housing simpler for persons who are entitled to it have been approved.

According to Article 2 (1) of RF Law No. 1541-1 of July 4, 1991 on Privatization of the Housing Fund of the Russian Federation, in a wording which was in effect before Federal Law No.170-FZ of October 16, 2012 was approved persons who occupied housing on the basis of a social hiring agreement had to secure consent to privatization of that housing from all the adult-members of their family and minors at the age of 14-18 years old living together with them in order to privatize that housing. According to the RF Law on Privatization of the Housing Fund in the Russian Federation as amended, persons who have the right to use housing but are not entitled to privatize it are excluded from the number of persons whose consent to privatization is to be secured from.

In addition to the above, the former wording of Article 2 (1) of the RF Law on Privatization of the Housing Fund in the Russian Federation unreasonably excluded absent hires from the number of persons who were entitled to privatization.

Though according to Article 7 of the RF Law on Privatization of the Housing Fund in the Russian Federation, a similar situation was resolved in a different way. The above article established long ago the right to privatization of housing by minors who did not lose the right to use that housing though they lived separately from persons whom that housing was assigned to in joint ownership with minors.

In addition to the above, indirect equal right of adults and minors to privatization of housing is envisaged by Article 71 of the Housing Code of the Russian Federation: temporary absence of the hirer of the housing under the social hiring agreement, his/her family members living together with him/her or all the above people together does not involve a change in their rights and obligations under the social hiring agreement.