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## Changes in the Regulatory Base of the Budgetary Process

*In November 2012, by amendments to the Budget Code of the Russian Federation, a five-year legal limitation as regards money liabilities to the Russian Federation was established; The Constitutional Court of the Russian Federation specified the rights of servicemen who became disabled persons as a result of the Chernobyl Accident to a monetary compensation for harm.*

By Federal Law No. 189-FZ of November 12, 2012 on Amendment of the Budget Code of the Russian Federation and Recognition as Null and Void of Individual Provisions of Statutory Acts of the Russian Federation a five-year legal limitation as regards money liabilities to the Russian Federation was established. According to the wording of Cl. 93.4 (4) of the Budget Code of the Russian Federation – which was in effect before -- general rules in respect of legal limitation did not apply to claims of the Russian Federation which arose due to the following instances:

- ☐ in connection with provision on a return and (or) refundable basis of budget funds, including budget loans at the expense of funds of purpose foreign loans (borrowings) and other budget loans (borrowings), including interest claims and (or) other payments provided for by the law and (or) contract (agreement), including unjust enrichment claims and claims of indemnity;
- ☐ in connection with provision and (or) execution by the Russian Federation of state guarantees of the Russian Federation;
- ☐ in connection with a legal entity's obligations as regards purpose financing which is provided on condition of assignment of that legal entity's equities in ownership of the Russian Federation;
- ☐ in connection with agreements and other transactions related to enforcement of liabilities specified in that Clause.

In its Resolution No. 20-P of July 20, 2011 on the Case of Checking of Constitutionality of provisions of Cl. 93.4 (4) of the Budget Code of the Russian Federation, Article 5 (6) of the Federal Law on “Amendment of the Budgetary Code of the Russian Federation as Regard Regulation of the Budgetary Process and Bringing into Compliance of Individual Statutory Acts of the Russian Federation with the Budget Legislation of the Russian Federation” and Article 116 of the Federal Law on the 2007 Federal Budget, the Constitutional Court considered the issue of constitutionality of the above provision of the Budget Code of the Russian Federation and ordered the federal legislator to establish the specific time-limit for the increased legal limitation in respect of claims of the Russian Federation.

Proceeding from the above, by amendments to the Budget Code of the Russian Federation a five-year legal limitation in respect of claims specified in Cl. 93.4 (4) of the Budget Code of the Russian Federation was established.

In its Resolution No. 24-P of November 7, 2012, the Constitutional Court of the Russian Federation recognized that Article 2 (1) of the Federal Law No.5-FZ of February 12, 2001 on Amendment of the Law of the Russian Federation on “Social Security of Persons Subjected to

Radiation Exposure as a Result of the Accident at the Chernobyl Nuclear Power Plant” did not comply with the Constitution of the Russian Federation. The above case was considered due to a complaint filed by Citizen R. Inamov. The reason for consideration of the above case was ambiguity about the issue whether provisions -- disputed in the complaint -- of Federal Law No.5-FZ of February 12, 2001 as interpreted in enforcement practice which was formed after Resolution No. 21-P of December 20, 2010 came into force complied with the Constitution of the Russian Federation.

In accordance with the decision of the Constitutional Court of the Russian Federation, former servicemen who became disabled persons as a result of the Chernobyl accident are entitled to a monetary compensation for harm after February 15, 2001 which compensation is calculated on the basis of the lost income (more specifically, on the basis of the pay with the extent of loss of professional ability to work taken into account). Earlier, courts of general jurisdiction passed judgments on the basis of the fact that the size of the compensation for harm payable after February 15, 2001 to former servicemen who became disabled persons as a result of the Chernobyl accident was to be set as a fixed cash amount depending on the disability group and not on the basis of the lost income.