

## CHANGES IN THE REGULATORY BASE OF THE BUDGETARY PROCESS IN THE DECEMBER 2015

M.Goldin

*In December 2015, the Ministry of Finance of the Russian Federation developed the Guidelines for Carrying Out by Constituent Entities of the Russian Federation of a responsible borrowing/debt policy.*

The guidelines for carrying out by constituent entities of the Russian Federation of a responsible borrowing/debt policy (hereinafter the Guidelines) are a guidance document aimed at upgrading the efficiency of management of the public debt of constituent entities of the Russian Federation. The Guidelines were developed with taking into account the Main Guidelines for the State Debt Policy of the Russian Federation approved in its turn by the Ministry of Finance of the Russian Federation in 2012, the world's best expertise and advice of international financial institutions.

In the Guidelines, description of the debt policy's measures and principles which constituent entities of the Russian Federation should stick to is of a general nature.

So, according to the Guidelines of the Ministry of Finance of the Russian Federation in managing the debt the state executive authorities of the Russian Federation should see to it that the region's creditworthiness and social and economic potential were not reduced due to the level of the debt, debt growth rates and the pattern of the debt.

The term – *state debt management* – covers the following related lines of activities:

- Budget planning of the volume of public debt and expenditures related to servicing thereof;
- Borrowing and carrying out of operations with debt obligations to optimize the pattern of the public debt (reduction of debt-related risks) and cutting of expenditures on debt-servicing;
- Organization of accounting of debt obligations and debt operations and fulfilment of debt obligations in accordance with the payment schedule;
- Maintenance of a permanent dialogue with the investment community and implementation of a complex of measures aimed at development of the sub-federal debt.

Also, the Guidelines include the list of the main risks which constituent entities of the Russian Federation encounter normally with in carrying out their borrowing/debt policy, that is, refinancing, interest, foreign exchange and operation risks.

In the Guidelines, attention is paid to the growing importance of the market of state debt securities on the sub-federal level and abandonment of bank financing as a less effective debt instrument.

According to the concept of the authors of the Guidelines, constituent entities of the Russian Federation will be able to reduce both the risks related to debt obligations and the cost of borrowing, promote self-sufficiency, effectiveness and transparency of their borrowing/debt policy and expand, among other things, the investment base. ●