

# The Problematic Aspects of Financial Legislation in the Area of Regulating Inter-budget Relations-Namely the Discontinuation (Curtailement) of Granting Inter-budget Transfers (with the Exception of Subventions) to Local Budgets by RF Constituents' Finance Bodies

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## Abstract

In present-day reality, inter-budget relations cannot be considered perfect, for issues related to the discontinuation (curtailment) of inter-budget transfers have not been given due attention in federal legislation. Powers to regulate and apply these measures are vested in finance bodies. Articles 130 and 136 of the Budget Code of the Russian Federation establish terms and conditions for the obtaining of inter-budget transfers by RF constituents and municipal formations, failure to comply with which can result in that both the Ministry of Finance of the Russian Federation and the finance bodies of its constituents may, in a manner prescribed by them, order that granting inter-budget transfers be discontinued (curtailed). Such classic aspects of the issue as the procedure for bringing one to justice and ways to protect the rights of public entities are yet to be brought to a legislative resolution; the array of issues is quite broad and capacious. With this in mind, in this article the author looks into issues in regulating inter-budget relations-more specifically, in the area of discontinuation (curtailment) of granting inter-budget transfers (with the exception of subventions) to local budgets by RF constituents' finance bodies. This aspect is of special significance, considering the social significance of this type of budgetary relations.

**Keywords:** inter-budget relations, transfers, discontinuation, RF constituents, municipal formations, qualification of enforcement measures

## 1. Introduction

The Concept of Inter-Budget Relations and Organization of the Budgetary Process in Constituents of the Russian Federation and Municipal Formations through to 2013 states that at the present time there has been achieved a high level of transparency and predictability of inter-budget relations at the federal level (Edict of the Government of the RF # 1123-p of August 08, 2009). While we acknowledge the substantial positive results of work carried out by the federal bodies of state power, which helped preserve the stability of the national budgetary system amid the global economic downturn, we should note that the existing system of inter-budget relations in RF constituents needs deeper transformation. The augmentation of processes of differentiation between regions and municipal formations on social and economic development indicators, the carrying out of local self-government reform, and the complication of methods for government regulation of the economy both across the country and within specific regions provide a rationale for the objective need to further enhance inter-budget relations, above all, at the level of regions and municipal formations.

In addition to issues in the methodological support of inter-budget relations, there is topicality with issues related to the normative consolidation of corresponding concepts at the federal level and their common understanding by economist theorists and practitioners. Note that it has been pointed out more than once that many elements of the

conceptual apparatus of inter-budget relations do not match the sense experts employing these concepts put into them, which, in turn, aggravates inter-budget relations in the area of discontinuation (curtailment) of granting inter-budget transfers (with the exception of subventions) to local budgets by RF constituents' finance bodies.

## 2. Methods

All budgets that make up the national budgetary system are interrelated within the frame of inter-budget relations. As a result of such interaction, there emerge relations concerning the distribution and redistribution of cash fund monies within the budgetary system between the Russian Federation, its constituents, and municipal formations, represented by corresponding bodies, which are given special consideration in the RF Budget Code.

Raising the responsibility of RF constituents and municipal formations for realizing their powers is an indispensable part of state governance reform in the Russian Federation. With each stage of reform, there is an expansion of the grounds for bringing one to justice and introduction of new institutes. In programming documents, such a policy is associated with an increase in the independence of public-legal formations, which is due to processes of demarcation of powers between the levels of power and securing profitable sources for each level on a long-term basis. At present, for infractions in the area of budgetary relations the Russian Federation may impose on its constituent's sanctions in the form of discontinuing and curtailing inter-budget transfers out of the federal budget and order that the budgetary powers of constituents' authorities be temporarily exercised by the federal bodies of state power. Similar measures can be taken by RF constituents in respect of municipal formations. It goes without saying that regional and local authorities must be answerable for failure to observe budgetary discipline and use budget funds effectively. At the same time, there is a need for a relevant mechanism for such responsibility, which would be in line with the constitutional principles of the polity.

## 3. Results

### 3.1 *The Conceptual Apparatus of Inter-budget Relations*

#### 3.1.1 Inter-budget Transfers

Looking into the conceptual apparatus of inter-budget relations, we should note that they changed the title of Chapter 16 of the RF Budgetary Code, which was called "Inter-Budget Relations" in the initial version. As a result of amendments made to it, it was renamed "Inter-Budget Transfers", which, on the one hand, narrowed the array of relations regulated by the chapter, and, on the other, reflected the present-day practice of inter-budget relations.

Pursuant to Article 6 of the Code, inter-budget transfers are funds granted by one budget in the RF budgetary system to another. The main forms of inter-budget transfers are considered to be grants, subsidies, and subventions. Articles 129, 135, and 142 of the Budgetary Code set out as forms of inter-budget transfers subsidies, subventions, and a particular type of grants-grants for equalizing budgetary capacity-as well as other inter-budget transfers.

In this regard, we should note that the present version of the Code contains no formulation of the general concept of subsidies and subventions. That said, Article 6 of the Budgetary Code brings to light the definition of the term "grant" (inter-budget transfers granted on a non-repayable and non-returnable basis without establishing the areas and conditions for their use). The definition of the terms "subsidy" and "subvention" was removed from the Budgetary Code as a result of the passage of the Federal Law # 63-FZ of April 26, 2007, which can be deemed illogical, for as a result of this we had to give up the uniform approach towards defining corresponding forms of inter-budget transfers. This complicates the common understanding of the term for practitioners within the financial-budgetary sphere. The Budget Code captures the definitions of particular types of subsidies and subventions.

Thus, for instance, Part 1 of Article 140 of the Budgetary Code contains a definition of the term "subventions to local budgets granted out of the budget of an RF constituent". Yet, it does not specify what is meant by such a type of inter-budget transfers as subventions to the budgets of autonomous okrugs that are part of krais and oblasts, for there is no definition of this term has been captured in the Budgetary Code.

Therefore, it would be expedient to resolve, in a regulatory fashion, the issues related to capturing the following definitions.

Subsidies are funds granted out of the budget of a public-legal formation to the budget of another public-legal formation, a natural or juridical person on condition of co-financing, with the establishment of areas of their use.

An inter-budget subsidy is an inter-budget transfer granted out of the budget of a public-legal formation on condition of co-financing target expenditure as part of fulfilling the expenditure obligations of another

public-legal formation.

A subvention is an inter-budget transfer granted for the purposes of financially providing for the expenditure obligations of a public-legal formation, which arise in fulfilling the powers of another public-legal formation devolved to it.

The term “other inter-budget transfers” needs separate consideration. It is apparent that they include among inter-budget transfers grants that are not marked out as an independent form of inter-budget transfers, i.e. all grants except for grants for equalizing budgetary capacity. Thus, other inter-budget transfers should include grants for supporting measures for ensuring the balancing of the budgets of RF constituents.

Besides, the federal budget is used for inter-budget transfers to regional budgets for granting inter-budget transfers to the budgets of particular municipal formations. With a view to compensating for additional expenses and losses incurred by closed administrative-territorial formations (CATF), which are associated with a special regimen for their secure operation, pursuant to Article 5.1 of the RF Law # 3297-1 of July 14, 1992 on “Closed Administrative-Territorial Formations”, inter-budget transfers are granted out of the federal budget to the budgets of RF constituents for granting transfers to CATFs (Kryukova et al., 2013; Kaurova et al., 2013). Article 8 of the Federal Law # 70-F3 of April 07, 1999 “On the Status of a Science City in the Russian Federation” provides for granting inter-budget transfers out of the federal budget to the budgets of RF constituents for granting inter-budget transfers to the budgets of science cities.

Thus, for instance, the Federal Law # 308-FZ of December 02, 2009 “On the Federal Budget for 2010 and the Target Period of 2011 and 2012” provides for granting inter-budget transfers out of the federal budget to regional budgets for the development and support of the social, engineering, and innovation infrastructure of science cities, development and support of the social and engineering infrastructure of CATFs, and resettlement of residents out of them, as well as inter-budget transfers to the budgets of RF constituents for grants to the budgets of CATFs (Kryukova et al., 2014; Kaurova et al., 2013).

It is apparent that the above inter-budget transfers are also included in the class of other inter-budget transfers, for they are not marked out separately in the Budgetary Code. Thus, we can infer that the term “other inter-budget transfers” is used in the sense “any other inter-budget transfers” and includes the rest of the forms of inter-budget transfers not listed separately. It is in this sense that the term “other inter-budget transfers” is used in the Federal Law # 131-FZ of October 06, 2003 “On the General Principles of Organizing Local Self-Government in the Russian Federation”, but, compared with the Budgetary Code, the Federal Law # 131-FZ also construes it as subventions.

However, it also follows from an analysis of certain regulatory acts, including the Federal Law # 308-FZ, that other inter-budget transfers are an independent form of inter-budget transfers.

Thus, for instance, the Resolution of the Government of the RF # 915 of November 11, 2009 laid down the Rules for granting other inter-budget transfers out of the federal budget to the budgets of RF constituents for paying regional social pension supplements. The Resolution of the Government of the RF # 1103 of December 29, 2009 laid down the Rules for granting in 2010 out of the federal budget inter-budget transfers to the budgets of RF constituents for acquisition of book stock for libraries in municipal formations and state libraries in the cities of Moscow and Saint Petersburg. By their economic purport, other inter-budget transfers, mentioned above as an example, are close to subsidies, for they involve co-financing regions’ expenditure obligations, but, compared with subsidies, they are immune to the action of a number of norms in budgetary law, including those provided for by the Rules for the formation, granting, and distribution of subsidies out of the federal budget to the budgets of RF constituents, which were laid down by the Resolution of the Government of the RF # 392 of May 26, 2008.

Thus, “other inter-budget transfers” is quite an ambiguous and contradictory concept which requires fine-tuning.

### 3.1.2 Inter-budget Loans

Considering that redistribution of funds between budgets also takes places as part of granting budgetary loans, we deem that inter-budget loans (i.e., budgetary loans granted out of one budget to another) is what can be rightfully considered as one of the specific forms of inter-budget transfers. (Zaernjuk et al., 2014)

In accordance with the definition of a budgetary loan, which was in use prior to amendments made to the Budgetary Code through the Federal Law # 63-FZ of April 26, 2007, it was construed as a form of financing budgetary expenditure that involved granting funds to juridical persons or another budget on a repayable and returnable basis.

Pursuant to Article 69 of the Budgetary Code, granting budgetary funds was effected in various forms, including in the form of budgetary loans to juridical persons (including tax loans, deferrals and installments on the disbursement of taxes and payments and other obligations) and inter-budget transfers. Note that budgetary loans out of the federal budget to regional budgets and out of regional to local were one of the forms of inter-budget transfers (budgetary loans granted) and, concurrently, a source of financing deficits in corresponding budgets (budgetary loans received).

Articles 129, 135, and 142 of the present version of the Budgetary Code do not specify budgetary loans as a form of inter-budget transfers. All budgetary loans are presently subsumed under sources of internal financing of the budget deficit.

The line-up of sources of internal financing of the budget deficit incorporates the difference between budgetary loans obtained and those paid-off by a public-legal formation, which were granted to this budget by other budgets in the RF budgetary system. The difference between funds obtained from the return of budgetary loans granted out of the budget to other budgets in the RF budgetary system and the amount in Russian currency constituted by budgetary loans granted out of it to other budgets in the RF budgetary system, pursuant to the Budgetary Code, is included in the line-up of other sources of internal financing of the budget deficit (Articles 94-96 of the RF Budgetary Code).

While we acknowledge the practical expediency of subsuming budgetary loans under sources of financing of budget deficits, we must note that inter-budget loans appear to have the distinctive features of inter-budget transfers. As part of granting them within the budgetary system, there takes place not only covering budget deficits but redistribution of funds between budgets of different levels, the same way as in granting inter-budget transfers, including for the purposes of covering temporary cash gaps and rendering financial aid.

Thus, for instance, pursuant to the Federal Law # 308-FZ, in 2010 budgetary loans to regional budgets out of the federal budget are granted for a term of up to three years for partial covering of the budget deficit and covering temporary cash gaps arising in fulfilling regional budgets, as well as for natural disaster and technogenic accident relief operations. Besides, budgetary loans can be granted to the budgets of RF constituents for a term of up to five years for the construction, reconstruction, capital repairs, repairs, and maintenance of general-use automobile roads (with the exception of federal-significance automobile roads), as well as for a term of up to three years for the support of single-specialization municipal formations.

Pursuant to Article 6 of the present version of the Budgetary Code, inter-budget transfers are funds granted by one budget in the RF budgetary system to another budget in the RF budgetary system, and budgetary loans are funds granted by a budget to another budget in the RF budgetary system, a juridical person (with the exception of state (municipal) institutions), a foreign state, or a foreign juridical person on a repayable and returnable basis.

Thus, in essence, the concept of budgetary loans granted to another budget in the RF budgetary system fits under the concept of inter-budget transfers. Based on concepts captured in the Budgetary Code, we can infer that an inter-budget loan is an inter-budget transfer granted on a repayable and returnable basis.

Note that the charge for using budgetary loans granted out of the federal budget to regional budgets for natural disaster and technogenic accident relief operations is set at the rate of 0%, i.e., in essence, the above budgetary loans are granted on a non-repayable basis.

Due to shortage of funds, public-legal formations are forced to engage budgetary loans to cover temporary cash gaps, as well as other budgetary loans on condition of repayment with interest, which facilitates an increase in expenditure in their budgets amid the economic downturn. Considering the special nature of purposes behind granting inter-budget loans, which is different from that of lending to the private sector of the economy, we find it expedient to consider their being granted on a non-repayable basis, which will help to prevent an increase in the cost of providing budgetary services in case there is insufficient revenue in the budgets of RF constituents and municipal formations. (It should be noted that the draft program for boosting the effectiveness of budget expenditure for the period through to 2012 envisages expanding the practice of granting interest-free inter-budget loans).

In our view, considering the special nature of purposes behind granting inter-budget loans, which is different from that of lending to the private sector of the economy, it would be expedient to consider their being granted on a non-repayable basis, which will help prevent an increase in the financial burden placed on RF constituents and municipal formations in case they have insufficient budget revenues.

As a consequence, inter-budget loans will lose one of their principal attributes-having to be repaid, and their content will be brought a lot closer towards the usual understanding of inter-budget transfers.

However, despite that from the scientific standpoint inter-budget loans can be viewed as a specific form of inter-budget transfers, we still find it expedient to have the definition of inter-budget transfers set out in Article 6 of the Budgetary Code fine-tuned and have the definition of inter-budget loans captured.

Inter-budget transfers are funds granted by one budget in the RF budgetary system to another, with the exception of inter-budget loans. Inter-budget loans are budgetary loans granted to a budget in the RF budgetary system.

These fine-tunings will help to draw a clear line between the terms “inter-budget transfer” and “budgetary loan”.

### *3.2 The Methodological Support of Inter-budget Relations*

The Ministry of Finance of the RF, based on Articles 130 and 136 of the Budgetary Code and the Federal Law “On Making Changes to the Budgetary Code of the Russian Federation in the Area of Regulating the Budget Process and Bringing Particular Legislative Acts in Line with the Budgetary Legislation of the Russian Federation”, has worked out the Model Regulatory Legal Act of the Finance Body of an RF Constituent on the Procedure for Discontinuing (Curtailing) the Granting of Inter-Budget Transfers (with the Exception of Subventions) to Local Budgets until Brought in Line with the Requirements of the Budgetary Code of the Russian Federation, which Provide a Rationale for Conditions for Granting Inter-Budget Transfers. This model document comports with Order #105n of the Ministry of Finance of the Russian Federation, which sets out enforcement measures to be applied in case the authorities of RF constituents fail to abide by the terms and conditions established in granting inter-budget transfers out of the federal budget in the form of discontinuing (curtailing) other inter-budget transfers out of the federal budget. Note that the last regulatory act is distinguished by being quite well-conceived, contains instituted forms of documents and a fairly clear-cut list of government bodies taking part in these procedures. However, there is no clear-cut structure when it comes to relations between constituents and municipalities-RF constituents and municipalities authorize finance bodies on their own, which leads to making wrong decisions in practice and inaccuracies in legislative and regulatory acts (Vetrova & Kryukova, 2013).

Nor have been brought to a legislative resolution the following components: the procedure for bringing to justice the authorities of RF constituents, ways to protect the rights of public entities, and other classic aspects of the issue.

## **4. Discussion**

Let us examine several aspects in more detail:

The observance by public-legal formations of the limiting values of the budget deficit and the national (municipal) debt (Yurin, 2008, p. 11).

Special consideration is required for such a condition for granting inter-budget transfers as the observance by public-legal formations of the limiting values of the budget deficit and the national (municipal) debt, which was introduced into the RF Budgetary Code through the Federal Law # 63-FZ of April 26, 2007. An analysis of the legal structure of Article 130 of the Code reveals the heterogeneity of the grounds for discontinuing (curtailing) transfers. These can be specific actions by the authorities of an RF constituent (exceeding established norms for one’s own welfare; optional spending) and inaction (failure to submit relevant documentation to the Ministry of Finance). In cases of exceeding the limiting values of the budget deficit and the national debt in fulfilling the budget, what remains unclear is what specifically constitutes a specific set of elements of the offense. Exceeding can be a consequence of both specific abuses of law and ineffective, unprofessional management, as well as a combination of these factors. In our view, to remove responsibility on these grounds from other offenses in fulfilling the budget one needs to mark out only those of them which are not linked with the substandard quality of managing the budgetary process. The rest of the offenses are not included in this structure, for they act as separate grounds for bringing one to justice.

The next question lies in that if in case of failure to meet the requirements of Articles 130 and 136 of the RF Budgetary Code, punishment in the form of discontinuing or curtailing transfers serves to put a stop to illegal activities or urge one to switch from inaction to action, in case of ineffective activity on managing the budgetary process resulting in exceeding the limiting values of the budget deficit and the national (municipal) debt, punishment in the form of discontinuing the granting of funds does not reach its main objective—a forced restoration of broken legal order. In our view, one needs to either exclude these phenomena from the list of conditions failure to observe which constitutes grounds for bringing public-legal formations to budgetary justice or resort to other legal solutions. All the more so as an offense that is virtually identical in the set of elements—exceeding the prescribed values of an outstanding liability on fulfilling the debt obligations of a public-legal formation—constitutes, pursuant to the RF Budgetary Code, grounds for instituting a temporary

financial administration (TFA) in the public-legal formation. That said, the legislative finalization of TFA has not been completed yet; no cases of instituting it since the coming into effect of Chapter 19.1 of the RF Budgetary Code, which is dedicated to regulating this institute (as of January 01, 2007 for RF constituents and January 01, 2008 for municipal formations) have been recorded. Yet, the analysis of the legal aspects of the TFA does retain its significance, as there are reasons to state that the federal center has intentions to employ this institute in practice.

Scientific debate encourages looking into the issue of whether there is restriction of the legal status of an RF constituent as a participant in federative relations in temporarily exercising the budgetary powers of its authorities by federal authorities. Here is what matters when it comes to answering this question. It is impossible to restore the solvency of a subject in a legal relationship without restructuring its expenditure, which, based on the provisions of the Budgetary Code, is what the TFA suggests the RF constituent do. If regional authorities do not agree to changes, suggested by it, to legislative and other regulatory legal acts in a particular area of the ambit of the RF constituent, then corresponding acts are adopted by the federal bodies of state power. Consequently, the legal outcome of instituting a TFA is expressed in stripping the authorities of the RF constituent of their powers and transferring them to the federal bodies of state power. Even in the case when corresponding acts are adopted by the authorities of the RF constituent, their legitimacy is suspicious, for the adoption is effected under threat of the authorities getting totally disbarred from exercising the powers. Furthermore, the provisions of federal legislation dealing with coordinating the actions of the TFA with the authorities of the RF constituent and the possibility of challenging these actions are contradictory and vague.

We believe that the issue of the financial recovery of an RF constituent must be resolved via legal means that are in line with the constitutional principles of federalism. Only procedures that ensure the coordination of the will of the parties involved in the cause of restoring the solvency of the RF constituent will help prevent making ineffective decisions and work out optimum ways of getting out of the crisis. In this regard, we find the following scheme rational. At the request of the RF constituent's authorities and (or) at the decision of the RF Government, for the purposes of financial recovery of the RF constituent there is set up on a parity basis a special commission which will be composed of representatives.

The independent establishment by the RF constituent of the Procedure for discontinuing or curtailing the granting of inter-budget transfers out of the budget of the RF constituent (Krokhina, 2006, pp. 21-31; Drugova, 2003, pp. 18-26; Glichich-Zolotareva, 2006, pp. 324-325; Yurin, 2008, p. 11).

The next aspect we would like to address concerns the issue of the RF constituent's independent establishment of the Procedure for discontinuing or curtailing the granting of inter-budget transfers out of the budget of the RF constituent. Thus, constituents are empowered to discontinue and (or) curtail the financing through budget funds of expenditure envisaged based on the "Inter-Budget Transfers" section of the functional classification of expenditure in the budgets of the RF, as well as the granting of budgetary loans. Constituents are empowered to direct funds released based on grounds provided for by the article towards providing additional financial aid to local budgets in conjunction with a complicated social-economic situation within particular municipal formations.

Thus, there is a need to reflect in the financial legislation of the RF all essential conditions for granting inter-budget transfers, as well as define in a regulatory manner the legal financial-legal mechanism for marking them out and returning them (for particular forms) and the characteristics of financial control over the intended use of obtained budgetary funds by intra-city municipal formations. That said, the legal regulation of inter-budget transfers in legal legislation must not diminish the guarantees of financial independence and other constitutional rights of local self-governing authorities.

The right of RF constituents to establish additional conditions for granting financial aid and budgetary loans out of the RF constituent's budget to municipal formations (Sokolova, 2009; Sergeev, 2007; Bezhayev, 2001, p. 16; Ioffe & Shargorodsky, 1961, pp. 314-318).

Another problematic aspect is the issue of additional conditions for granting financial aid and budgetary loans to municipal formations out of an RF constituent's budget. The major conditions for granting inter-budget transfers out of RF constituents' budgets are set out in Article 136 of the RF Budgetary Code. At the same time, federal legislation empowers RF constituents to establish additional conditions for granting financial aid and budgetary loans to municipal formations out of an RF constituent's budget. Financial aid and budgetary loans "under additional conditions" can be granted to those municipal formations in the budgets whereof the cumulative share of grants out of the budget of an RF constituent and (or) tax revenue against additional standards has not exceeded a total of 50 percent over two of the last three reporting years. In respect of all municipal formations,

an RF constituent is empowered to establish additional conditions for granting subsidies out of the budget of the Russian Federation. RF constituents' budgetary power under examination is directed towards realizing the principle of taking account of local peculiarities-however, the legislative establishment of additional conditions for receiving financial aid must not violate the principle of equality for the budgetary rights of municipal formations. Consequently, an RF constituent's laws must contain additional conditions, which are similar for all municipal formations and are not of an individual nature. Such conditions could be the purposes of using inter-budget transfers, the availability of shared financing, local budget solvency criteria, the ratio of one's own and regulating revenue, etc.

Other aspects (Alekseyev, 1964, pp. 184-189; Bratus, 1976, pp. 4-5; Krokchina, 2004, pp. 43-51; Karaseva & Krokchina, 2003, p. 74; Yeroshkina, 2009; Gromskaya, 2014, pp. 37-39; Syatchikhin, 2014, pp. 95-100).

1) One should establish in the RF constituent's budgetary law a list of forms of inter-budget transfers, as well as provide their regulatory definitions for the purposes of preventing any misunderstanding in terms of the meaning of the terms. One should pay attention to changes in the approach taken by the federal legislator towards the list of forms of inter-budget transfers. Firstly, the list is open, for Article 135 of the Budgetary Code allows for "other non-repayable and non-returnable transfers"; secondly, inter-budget transfers now include budgetary loans and exclude budgetary commodates.

2) The issue of capturing at the legislative level efficient legal mechanisms for regulating the inter-budget distribution of revenues-ensuring the balancing of budgets of all levels in the budgetary system is the state's overriding objective at any stage of its social-economic development. One of the dimensions of resolving this objective is capturing at the legislative level efficient legal mechanisms for regulating the inter-budget distribution of revenues. Existing legislation provides for the following mechanisms for the inter-budget distribution of revenues: 1) redistribution of tax revenue between budgets in the budgetary system; 2) inter-budget distribution of grants, subsidies, subventions, and other inter-budget transfers.

## 5. Conclusion

Based on the analysis conducted, we find it necessary to make clarifications to the methodological recommendations on the Procedure for Discontinuing (Curtailing) the Granting of Inter-Budget Transfers (with the Exception of Subventions) to Local Budgets until Brought in Line with the Requirements of the Budgetary Code of the Russian Federation, which Provide a Rationale for Conditions for Granting Inter-Budget Transfers:

- concretization of the term "other inter-budget transfers";
- fine-tuning the procedure for appealing the decision of the finance bodies of RF constituents on discontinuing (curtailing) inter-budget transfers;
- discarding the unilateral nature of actions related to the Procedure for discontinuing (curtailing) inter-budget transfers, which is established by the acts of the finance bodies of RF constituents, and giving a clear-cut interpretation of in which cases there takes place the discontinuation and in which the curtailing of transfers;
- fine-tuning the "authorized finance body of an RF constituent" and "structural unit of the authorized finance body of an RF constituent" category;
- working out standard forms of Orders of RF constituents on discontinuing (curtailing) the granting of inter-budget transfers (with the exception of subventions) to local budgets until brought in line with the requirements of the Budgetary Code of the Russian Federation;
- fine-tuning the restrictive measure on curtailing the granting of inter-budget transfers (with the exception of subventions) to local budgets until brought in line with the requirements of the Budgetary Code of the Russian Federation;
- fine-tuning the procedures for repealing the discontinuation (curtailment) of granting inter-budget transfers;
- defining the circle of executive officers and the liability of executive officers for improper performance of the Procedure;
- supplying examples of computing indicators provided in the Procedure for discontinuing (curtailing) the granting of inter-budget transfers (with the exception of subventions) to local budgets in case of failure on the part of the local self-governing authorities to comply with the terms and conditions for providing them, "The Methodology of Determining the Degree to Which Local Budget Parameters Meet the Requirements of the Budgetary Legislation of the Russian Federation and Conditions for Granting Inter-Budget Transfers".

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