

Putin Calls to Restore Tax Fraud Investigative Authority to Power Ministries

By [The Moscow Times](#)

October 15, 2013

The  Moscow Times

President Vladimir Putin has submitted to the State Duma a bill that would restore the right of investigators to open tax fraud cases without a request from the tax authorities — a move that critics fear could lead to a renewed persecution of business executives, a news report said Tuesday.

If approved, the amendments to the criminal code would reverse a 2011 reform by then-President Dmitry Medvedev who hoped to prevent extortion and arbitrary arrests of businessmen by corrupt law enforcement officials.

A letter accompanying Putin's bill to parliament argues that the current requirement that tax evasion cases be initiated by tax inspectors has led to delays and a large number of unsolved cases, Vedomosti reported. The new bill would allow tax evasion cases to be opened

by prosecutors, based on information gathered by investigators.

The overall number of investigations of tax fraud dropped by about one-third in 2012 from the year before, following the transfer from the Interior Ministry to the Investigative Committee of the mandate to open such cases, according to the Interior Ministry.

The Investigative Committee has called for a reversal of the amendments, arguing that delays in investigations have been giving ample opportunity for suspects to flee.

Putin's bill came as a surprise to officials at both the Finance and the Economic Development Ministries, who said they hadn't been consulted on the proposal.

Deputy head of Delovaya Rossia Nikolai Ostarkov said the business community was upset by Putin's bill, which would remove a block to corporate raids by corrupt law enforcement officials. Such raids were often used to extort money or to steal a business from its owner, other executives said.

Original url:

<https://www.themoscowtimes.com/2013/10/15/putin-calls-to-restore-tax-fraud-investigative-authority-to-power-ministries-a28618>