

Putin Signs Law Reducing Budget-Planning Cycle to One Year

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Russia has reduced its budget-planning cycle to one year, rather than the previous three-year period, according to a law signed by President Vladimir Putin amid the country's economic turmoil and swings in oil prices.

The new law, signed by Putin on Wednesday and published on the government's legal information website, requires the Russian Cabinet to submit its 2016 budget draft to parliament by Oct. 25.

Earlier this month, Finance Minister Anton Siluanov called for the switch to a one-year budget.

"The volatility on the world's commodity and financial markets that we have seen in recent

weeks raises the risk of mistakes in forecasting," Siluanov said on Sept. 1, Interfax news agency reported.

"To minimize the probability of errors in budget preparation, we suggest taking a pause for a more detailed evaluation of the current situation," he was quoted as saying.

Russia's revenues and the state of the country's economy will vary significantly depending on whether oil prices hover around \$40 or \$60 a barrel — scenarios that would "demand different economic policies," Siluanov said, Interfax reported.

Russia switched to three-year budget plan in 2006 — the country deviated from this practice only once, during the economic crisis of 2008, independent Ekho Moskvyy radio reported.

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