

**DECREE OF THE PRESIDENT OF THE RUSSIAN FEDERATION NO. 221 OF FEBRUARY 28, 1995
ON MEASURES TO IMPROVE THE STATE ADJUSTMENT OF PRICES (TARIFFS) (with the
Additions and Amendments of July 8, 1995, April 8, 2003)**

In order to deepen further the economic reforms, raise the efficiency of the market economy and improve the state adjustment of prices (tariffs), I resolve:

1. To recognize as essential the further liberalization of prices (tariffs). The state adjustment of prices (tariffs) shall be effected only with regard to the products of natural monopolies.

The Government of the Russian Federation shall be obliged to determine and approve, with due account of norms established by the legislative acts of the Russian Federation, the lists of engineering products, consumer goods and services whose prices (tariffs) on the home market of the Russian Federation are subject to state control by the Government of the Russian Federation, the federal executive bodies and the executive bodies of the subjects of the Russian Federation.

Said lists shall be reviewed to the extent of necessity, bearing in mind the further liberalization of prices (tariffs).

The state adjusted prices (tariffs) shall be applied on the home market of the Russian Federation by all the enterprises and organizations, regardless of the organizational structure and legal status, and forms of property, unless otherwise stipulated by the legislative acts of the Russian Federation.

2. The Government of the Russian Federation shall be obliged to take the following measures:

- to establish procedure for state control of prices (tariffs) of engineering products, consumer goods and services;

- to establish the procedure for the state regulation and application of tariffs for electric and heat power upon the proposal of the Federal Energetic Commission of the Russian Federation;

- to coordinate the work of the executive bodies of the subjects of the Russian Federation in the sphere of the state control of prices (tariffs) as provided for by this Decree;

3. To lay down that subsidies, associated with the state adjustment of prices (tariffs) according to the list of products, goods and services, whose prices are controlled by the Government of the Russian Federation and the federal executive bodies, shall be taken into account in the process of forming the federal budget for the relevant year.

The executive bodies of the subjects of the Russian Federation shall be recommended to allocate from appropriate budgets in cases of necessity subsidies with the aim of the state adjustment of prices (tariffs) of products, goods and services according to nomenclature, included in their terms of reference.

4. To lay down that enterprises and organizations which have broken the rules of legislation on the state adjustment of prices (tariffs) shall be subjected to sanctions in the form of recovery of the entire excessively received proceeds.

Persons guilty of violating the rules of legislation on the state control of prices (tariffs) shall be made accountable in the statutory manner.

5. The Government of the Russian Federation shall be obliged to formulate its proposals on the application of sanctions for the violation of the rules of legislation on the state control of prices (tariffs).

6. To recognize the following normative acts as invalid:

- the Decree of the President of the RSFSR No. 297 of December 3, 1991 on Measures of Liberalize Prices, except for the first paragraph of Item 1 (Gazette of the Congress of the People's Deputies of the RSFSR and the Supreme Soviet of the RSFSR, No. 52, 1991, item 1878);

- Items 1-9, 11 and 12 of the Decree of the President of the Russian Federation No. 1089 of September 17, 1992 on the State Adjustment of prices for Particular Types of Power Resources and Appendices No. 2 and No. 3 to this Decree (Collected Acts of the President and the Government of the Russian Federation, No. 12, 1992, item 929);

- Item 9 of the Decree of the President of the Russian Federation No. 405 of March 27, 1993 on Urgent Measures to Stabilize the Standard of Living of the Population of the Russian Federation in 1993 (Collected Acts of the President and the Government of the Russian Federation, No. 13, 1993, item 1106).

The Government of the Russian Federation shall be obliged to bring its decisions into conformity with the present Decree.

7. The present Decree shall enter into force since the day of its publication.

President of the Russian Federation

Boris Yeltsin

Moscow, the Kremlin