

**FEDERAL LAW NO. 60-FZ OF DECEMBER 13, 1994 ON THE DELIVERIES OF PRODUCTS FOR
FEDERAL STATE NEEDS (with the Additions and Amendments of June 19, 1995, March 17, 1997,
May 6, 1999, August 22, 2004, February 2, 2006, July 24, 2007)**

Adopted by the State Duma on November 10, 1994

This Federal Law establishes the general legal and economic principles of and the procedure for the formation and execution on a contractual basis of orders for the purchase and delivery of goods, works, services (hereinafter, products) for federal state needs by organisations irrespective of the form of ownership and also the bases of ensuring the guarding of products delivered under a state contract, of objects intended for extracting, processing, transporting and storing such products and other property necessary for fulfilling state contracts.

Article 1. Deliveries of Products for Federal State Needs

1. Deliveries of products for federal state needs shall be ensured at the expense of the federal budget resources and extra-budgetary sources attracted for these purposes.

Federal state needs, including the list of federal special-purpose programmes and interstate special-purpose programmes where the Russian Federation participates (hereinafter referred to as federal special-purpose programmes) and the amounts of their financing from the federal budget, shall be provided for by the federal law on the federal budget for the planning horizon.

The status of presidential programmes initiated by the President of the Russian Federation may be conferred on federal special-purpose programmes for the purpose of realizing especially important state tasks.

2. Products for federal state needs shall be delivered for the following purposes:
the creation and maintenance of state material reserves of the Russian Federation;
the support of the necessary level of the defence capacity and security of the Russian Federation;
the safeguarding of export deliveries of products for the fulfillment of the international economic, currency and credit obligations of the Russian Federation;
the realization of federal special-purpose programmes;
the satisfaction of other federal state needs.

3. The requirements of the subjects of the Russian Federation for products necessary for the solution of the tasks of the vital provision of regions and the realization of regional special-purpose programmes (deliveries of products for regional needs) shall be determined by the organs of state power of the subjects of the Russian Federation in keeping with the general principles and provisions of the present Federal Law.

Deliveries of products for regional needs shall be ensured at the expense of the budget resources of the subjects of the Russian Federation and the extra-budgetary sources attracted by them for these purposes.

4. Relations arising in connection with the purchases and deliveries of farm products and foodstuffs for federal state needs shall be regulated by a special law.

Article 2. The Basic Principles of the Elaboration and Realization of Federal Special-Purpose Programmes

1. The elaboration of federal special-purpose programmes shall be organized by the federal executive bodies.

The procedure for the elaboration and realization of federal special-purpose programmes shall be determined by the Government of the Russian Federation.

2. During the elaboration of federal special-purpose programmes it is necessary to provide for the following:

the solution of priority socioeconomic, defence, scientific-technical, nature conservation and other major tasks;
the coordination of financial, material and labour resources for the purpose of their most effective use;
the comprehensive nature and economic safety of measures to be elaborated;
the compatibility of the solutions of federal and regional tasks;
the achievement of the required end result within the fixed terms.

Article 3. The Formation and Placement of Orders to Supply Products for Federal State Needs

1. In order to organize the work of fulfilling the federal special-purpose programmes and to secure the supply of products for federal state needs, the Government of the Russian Federation shall approve state customers.

Orders for the fulfillment of federal special programmes, the purchase and delivery of products for federal state needs shall be placed with enterprises, organizations and institutions (suppliers) by means of concluding state contractors by state customers.

2. State customers shall be provided with financial resources in the amount established by the federal budget and shall be responsible for the realization of federal special-purpose programmes and the satisfaction of federal state needs.

The Government of the Russian Federation shall extend guarantees for the obligations of state customers within the framework of the financial resources allocated from the federal budget.

3. The state contract shall define the rights and duties of a state customer and a supplier to meet federal state needs and regulate the relations of the supplier with the state customer during the fulfillment of the state contract.

The state contract may provide for the control of the state customer over the progress of the work of fulfillment the state contract and over the rendering of consulting or any other assistance to the supplier without interfering in the latter's operational economic activity.

4. Products delivered under a state contract shall conform to the requisite requirements of state standards and the special conditions fixed by this contract.

Requirements for the quality of products that ensure their safety for human life and health, environmental protection, the compatibility and mutual replacement of products shall be mandatory.

The products delivered under State contracts and subject, in accordance with the laws of the Russian Federation, to obligatory certification, must have a conformity certificate and mark issued or recognized by a body authorized to do so.

5. Proceeding from state interests, the state customers shall ensure the placement of orders for the delivery of products for federal state needs in the procedure provided for by the legislation of the Russian Federation on placement of orders to supply commodities, carry out and render services for meeting state and municipal needs.

6. Abolished.

7. In requisite cases the Government of the Russian Federation may introduce for federal government-run enterprises the regime of the obligatory conclusion of state contracts for the delivery of products for federal state needs.

Article 4. Stimulation of Deliveries of Products for Federal State Needs

1. In order to stimulate the suppliers of products economically to meet federal state needs, social guarantees in compliance with the laws of the Russian Federation may be given to them.

2. Special quotas for the obligatory sale of the material and technical resources of their manufacturers to state customers and suppliers may be established for the purpose of the economic stimulation of the suppliers delivering products to sustain the necessary level of the defence capacity and security of the Russian Federation in major types of these resources.

The order of determining the list and volumes of the material and technical resources subject to state quota allocation shall be established by the Government of the Russian Federation.

Article 4.1. Ensuring the Guarding of Products Delivered Under a State Contract, of Objects Intended for Extracting, Processing, Transporting and Storing Such Products and Other Property Necessary for Fulfilling State Contracts

1. Having obtained the relevant licence at the bodies of internal affairs, strategic enterprises, strategic joint-stock companies and their affiliated companies owning and operating gas mains and an organisation owning the Uniform Gas-Supply System (hereinafter, also strategic organisations) can acquire civilian and service weapons in accordance with Federal Law No. 150-FZ of December 13, 1996 on Weapons (hereinafter, the Federal Law on Weapons) Ensuring the Guarding of Products Delivered Under a State Contract, of Objects Intended for Extracting, Processing, Transporting and Storing Such Products and Other Property Necessary for Fulfilling State Contracts.

2. The lists of objects intended for extracting, processing, transporting and storing products delivered under a state contract and in whose guarding civilian and service weapons and special facilities are used, shall be approved by a strategic organisation in agreement with the Ministry of Internal Affairs of the Russian Federation and the Federal Security Service of the Russian Federation in the procedure established by the Government of the Russian Federation.

3. The list of posts of workers of strategic organisations who, in the performance of their incumbent duties connected with ensuring the guarding of products delivered under a state contract, of objects intended for extracting, processing, transporting and storing such products and other property necessary for fulfilling state contracts, shall have the right to keep, wear and use civilian and service weapons and special facilities, the list of affiliated companies of strategic enterprises and strategic joint-stock companies whose workers are vested with such a right, and also the kinds, types, models and quantity of the given weapons and special facilities shall be established by the Government of the Russian Federation.

4. The workers mentioned in this Article of strategic organisations shall use civilian and service weapons in the procedure established by Federal Law No. 77-FZ of April 14, 1999 on Departmental Guards.

5. Strategic organisations must acquire civilian and service weapons and special facilities, record, keep and issue them in the procedure established for legal entities with special statutory tasks by the Federal Law on Weapons and by other normative legal acts of the Russian Federation.

Article 5. Responsibility for the Non-execution of State Contracts for the Delivery of Products for Federal State Needs

1. In case of default of the party's obligation or the improper execution of this obligation, provided for by the state contract, this party shall be obliged:

to compensate the losses inflicted to the other party;

to bear other responsibility fixed by the legislation of the Russian Federation and the state contract.

2. The suppliers dominating the market of a specific good shall have no right to refuse to conclude state contracts in cases, if the placement of an order does not involve the losses from their production.

If the supplier evades without valid reasons the conclusion of a state contract for the delivery of products for federal state needs in cases when the conclusion of contracts is obligatory according to this Federal Law, the supplier shall pay a fine to the buyer in the amount of the value of products, fixed in the draft contract.

3. Products that do not comply with the requirements stated in Item 4 of Article 3 of this Federal Law, as well as those not belonging to a complete set, shall be deemed under-delivered.

4. The state customer shall have the right to refuse (fully or partially):

to pay for the products that do not comply with the requirements, fixed by legislation to assess the quality of products or by the state contract.

5. Disputes arising between the state customer and the supplier during the conclusion, modification, annulment or execution of state contracts for the delivery of products for federal state needs, and also for the compensation for the incurred losses, shall be examined by courts of arbitration in the order prescribed by legislation.

Article 6. The Procedure for Bringing this Federal Law into Effect

1. The present Federal Law shall be brought into effect since the day of its official publication.

2. The Law of the Russian Federation on the Deliveries of Products and Goods for State Needs of May 28, 1992 (Gazette of the Congress of People's Deputies of the Russian Federation and the Supreme Soviet of the Russian Federation, No. 27, 1992, item 1558) and the Resolution of the Supreme Soviet of the Russian Federation on the Procedure for Bringing into Effect the Law of the Russian Federation on the Deliveries of Products and Goods for State Needs of May 28, 1992 (Gazette of the Congress of People's Deputies of the Russian Federation and the Supreme Soviet of the Russian Federation, No. 27, 1992, item 1559) shall be recognized as null and void.

3. The Government of the Russian Federation shall be instructed to carry out the following measures within two months:

to bring its normative legal acts into conformity with the present Federal Law;

to ensure the repeal by ministries and other federal executive bodies of their normative acts inconsistent with the present Federal Law.

President of the Russian Federation

Boris Yeltsin

Moscow, the Kremlin