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Currency Booths Flout Banking Requirements

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As per the Central Bank's requirement, the majority of the city's exchange points have renamed themselves *operkassy*, or operational cashiers, the legal equivalent of a full-fledged bank office. But in practice, most are still only exchanging currency.

Currency exchange offices became illegal as of Oct. 1. By that time, they should have become bank offices or shut down. Legitimate exchange points are now obligated to not only buy and sell currencies, but also to make money transfers and process payments for utility and other bills.

The rules forbid them from using the name "exchange point" or "currency exchange," and the offices must clearly state on their sign which bank they belong to.

New signs are the main differentiator between old and new exchange booths. Most continue to operate as they always did, but where they once advertised as a "currency exchange," they

now call themselves operational cashiers.

It is still easy to find exchange points with a display board outside promising a flexible rate, though the offering inside is something entirely different.

Attempts by a Vedomosti reporter to pay bills and transfer money at new operational cashiers failed. Employees of several booths claimed that they offer services other than changing money, but completing a transaction turned out to be impossible.

The explanations given varied greatly: "Our Internet is broken," or, "The software has frozen." Some tellers advised coming back after lunch, or tomorrow, or next week.

Many of the exchange booths did not even re-register as operational cashiers. Of the more than 10 exchange points near the Arbatskaya metro station, three of them were unable to tell Vedomosti which bank they represent.

There was no written information, and the staff could not answer the question, though one of them gave the telephone number of a manager. They all said they were engaged exclusively in currency exchange, but added that the situation was temporary.

The city center is still populated by many exchange booths, with bright displays of the day's rates but lacking full information about the bank they represent. Several even retained their "currency exchange" signs.

Four booths were closed next to the Kremlin. Of nine booths on Tverskaya Ulitsa, only two were properly labeled. At three operational cashier booths there was no official documentation whatsoever, the rates on display outside did not correspond to those in the booth, and behind the cashier, a barely visible sign warned of a 3 percent commission.

A formal inquiry by Vedomosti to the Central Bank went unanswered. Some of the Central Bank's managers explained that the bank regulates official operational cashiers and that those not registered are dealt with by the police.

Control over the activities of operational cashiers lies with the Central Bank, said Andrei Pilipchuk, a spokesman for the Interior Ministry's economic crimes unit. "These functions have long been removed from the ministry," he said. "But after the Central Bank clarifies which operational cashier booths are working illegally, then law enforcement will get involved and begin criminal investigations."

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