

Consumer Loan Price Cap Looming

By [The Moscow Times](#)

December 16, 2012



While consumer credit is being offered on every street corner, Medvedev wants to regulate its affordability. **Vladimir Filonov**

Prime Minister Dmitry Medvedev wants to cap the amount of money that can be charged for consumer loans, but financial authorities have yet to find an acceptable option.

In October, he ordered the Finance Ministry, Economic Development Ministry, Federal Anti-Monopoly Service and Central Bank to prepare proposals for the price cap by Dec. 1, but the decree has not been implemented, Vedomosti has learned.

"We are still not ready to back a proposal for introducing an interest rate cap into law," said Central Bank first deputy head Alexei Simanovsky. "The result of such a decision is unclear to us, and our doubts lie not only within the economic sphere but also in society."

Obviously, the public needs to be protected from unjustified burdens proposed by creditors, he said, noting that the Bank of France regularly determines the maximum rates for various types of consumer loans. Those rates range from 9 to 19 percent.

In Russia, Simanovsky said, the comparable level would be about 15 to 25 percent per year.

The Federal Anti-Monopoly Service advocates the Italian practice of calculating loan prices based on the average rate for 20 standard bank loans plus an established interest rate, said deputy head Andrei Kashevarov. Banks can charge interest but have to disclose the rate to the borrower.

The Economic Development Ministry sent materials to the Finance Ministry so that it could summarize all the proposals independently, said a source in that ministry.

He refused to discuss his agency's proposals, saying that pretty much nothing new had been put on the table.

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