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Gref Seeks Exemption From Bank Account Ban

By The Moscow Times

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Sberbank CEO German Gref called on lawmakers to exempt Russian-owned banks from the legislation intended to prohibit state officials from keeping their money in foreign banks, Interfax reported Wednesday.

The former economic development and trade minister said in his letter to the State Duma's Constitutional Law Committee that bureaucrats' accounts with Russian-owned foreign banks could be efficiently monitored by Russian authorities.

Gref said the measure would allow government officials to pay for goods and services while abroad.

The legislation to prohibit Russian bureaucrats from holding their money abroad was proposed by President Vladimir Putin in his state-of-the-nation address in December. The measure is seen by analysts as one of Putin's attempts to ensure the loyalty of the ruling elite.

However, Putin rejected a similar measure to ban officials from owning foreign assets.

The Duma approved the bill in its first reading in December.

Analysts said Russian government officials likely hold their funds at foreign subsidiaries of Russian banks only if they are legally obtained. They said those banks also fall under the jurisdiction of the countries where they are located.

Sberbank, Russia's biggest lender, owns several foreign banks, including Volksbank International in Austria and Denizbank in Turkey. According to Sberbank deputy CEO Sergei Gorkov, the bank's foreign assets are worth $50 billion.

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