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Central Bank Pulls Two Licenses

By The Moscow Times

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The Central Bank stripped two lenders of their licenses Monday, and accused one of them, KBTs Bank of Tver, of involvement in "large-scale dubious transactions" committed by its clients.

KBTs Bank also violated anti-money laundering and anti-terrorism laws by failing to properly investigate its clients and "implemented a high-risk lending policy" without creating the reserves necessary to cover its risks, the Central Bank said in a statement Monday.

KBTs management has been put under temporary administration until the Central Bank decides on a further course of action, which could involve bankruptcy proceedings.

The Bank Razvitiya Regiona of North Ossetia, or BRR, also lost its license Monday.

Although the Central Bank did not explain its decision, BRR is reported to have had difficulty issuing cash to customers for the past three weeks.

Head of North Ossetia Taymuraz Mamsurov told RIA Novosti last week that the bank stood in danger of losing its license and going out of business.

Furthermore, the bank's former CEO Sergei Doyev was placed under house arrest in early October on suspicion of embezzling more than 300 million rubles ($9.3 million) in government funds.

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