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Spreading Malicious Rumors About Bank Stability Should be Punishable

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A senior Central Bank official on Friday proposed criminalizing the dissemination of false information about banking institutions, responding to a recent wave of mass emails, text messages and announcements in social media heralding the impending closure of perfectly solvent banks.

First Deputy Central Bank Chairman Alexei Simanovsky also announced that the financial regulator will make public denials about such reports in instances when they "can lead to negative consequences not only for a specific bank, but for the system and the region," Interfax reported.

Simanovsky said that there are three groups involved in circulating the specious information: people who suffered in recent bank shut-downs and are seeking revenge; others who have taken loans that they don't want to pay back; and competing lending organizations seeking an edge.

Only individuals who fall into the first two categories should be considered criminals, although lenders that employ such a technique are clearly "unprincipled" and in violation of anti-monopoly laws, Simanovsky added.

Earlier this month, Simanovsky said that the panic of Russian depositors should be blamed on those who spread these rumors and not on the Central Bank's crackdown on shaky banking institutions, Itar-Tass reported.

At that time he said that such messages had been discovered in a number of Russian regions, where relevant government agencies were conducting investigations.

The Central Bank has revoked the licenses of about 30 banks this year in an attempt to crack down on money laundering, tighten oversight and improve transparency in Russia's banking sector, Reuters reported.

The crackdown has led to a rapid increase in the number of depositors applying to withdraw their money from certain banks, in turn weakening those institutions' liquidity.

Many depositors have also migrated towards large banks, seen as more trustworthy, and away from their smaller counterparts, Fitch Ratings found.

Small Russian banks may have lost 430 billion rubles ($430 billion) in November while the country's 100 largest banks' saw a capital inflow of 928 billion rubles, the ratings agency said, Vedomosti reported Friday.

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