

Sanctioned Bank Rossiya Ends Foreign Currency Operations

By [The Moscow Times](#)

March 30, 2014

The  Moscow Times

St. Petersburg-based Bank Rossiya is to cease all foreign currency operations and work only with the ruble in response to U.S. sanctions imposed last week, it said in a statement on Friday.

Bank Rossiya is Russia's 15th-largest bank by assets, and the only Russian company that has so far been included on the list of individuals and entities sanctioned over Russia's annexation of Crimea, because of its close links to businessmen seen as personal allies of President Vladimir Putin.

U.S. officials said that the bank would be "frozen out of the dollar."

On Monday the bank advised its clients to cease payments in foreign currencies.

The head of state-controlled bank VTB said Bank Rossiya's decision was a step towards

broad use of the ruble as a settlement currency.

"Russia should sell Russian products — from armaments to oil and gas — in rubles, and should also buy goods in rubles," VTB CEO Andrei Kostin said in a transcript of an interview he gave to Rossiya 24 distributed by VTB. "Then we will get the full benefits that the ruble gives us as a convertible currency."

Kostin said Russia has been moving for some time towards making broader use of the ruble as a settlement currency — the currency in which goods and securities are paid for.

While the ruble is effectively fully convertible — meaning holders can switch freely into other currencies or gold — the effects have been "more negative," he said.

This has led to capital outflows and inflows of foreign investments of a "highly speculative nature that to a significant degree destabilize our stock markets," he said.

In its statement on Friday, Bank Rossiya said that it had informed several U.S. banks that it was closing its correspondent accounts.

The bank said that the changes did not affect its ability to fulfill its obligations before its clients and partners, all of which it said are being fulfilled on time and in full.

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