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Legislators Seek $20M Security Deposits from Visa, MasterCard

By The Moscow Times

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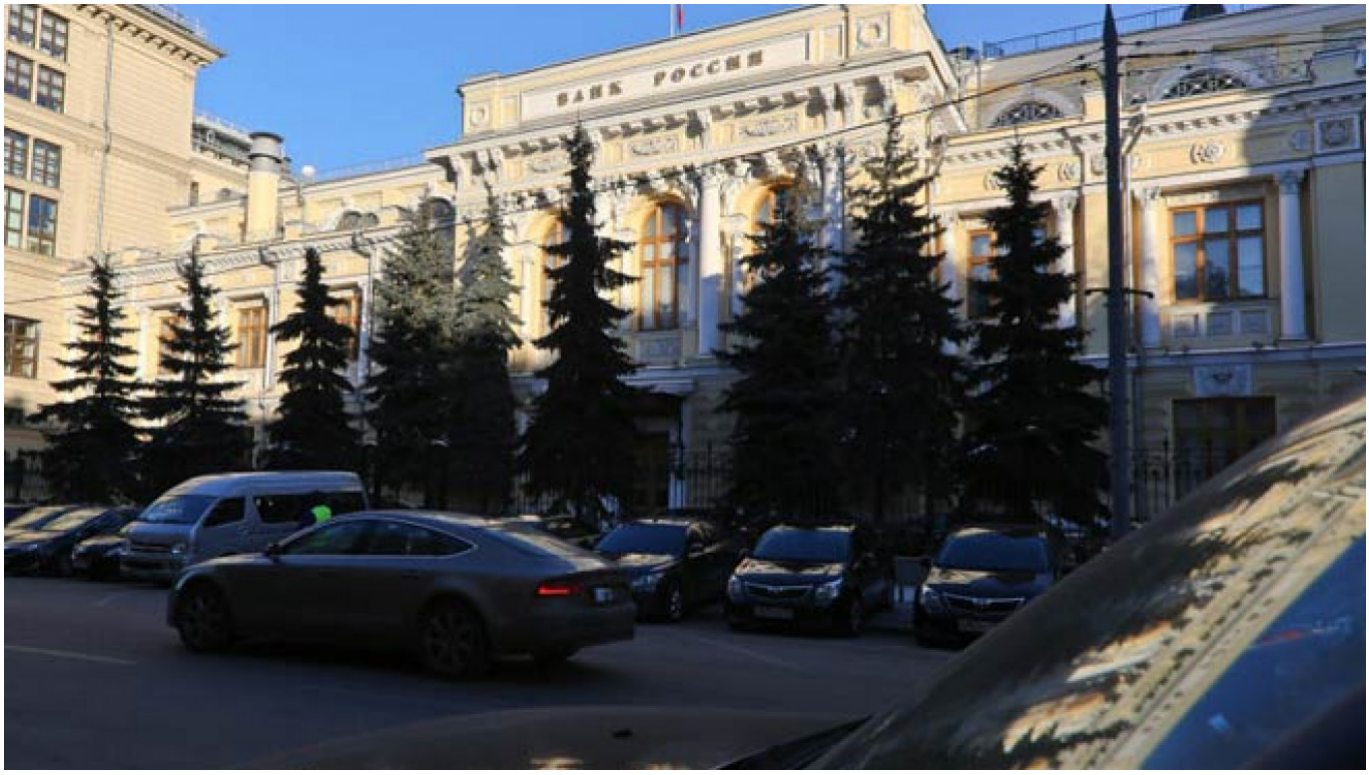

According to the Central Bank, payment transactions in Russia amounted to almost 26 trillion rubles ($740 billion) in 2013.

International payment systems operating in Russia may be obliged to pay security deposits amounting to nearly $20 million a year to the Central Bank to guarantee their good behavior.

Amendments to legislation on a national payment system currently being considered by the State Duma have been approved by the parliament's financial markets committee, PRIME reported Wednesday.

Comparing the amendment with the state's deposit insurance scheme, under which banks contribute a fixed sum to a common insurance pot, the committee's head, Natalya Burykina, proposed "to take quarterly security deposits from international [payment system] operators equivalent to 0.25 percent of transactions processed in a day."

According to the Central Bank, payment transactions in Russia amounted to almost 26 trillion rubles ($740 billion) in 2013. About 60 percent of this was processed by Visa has a 60 percent market share. MasterCard follows with about 35 percent.

This means that combined, the two companies processed $1.9 billion per day. Each security payment of 0.25 percent daily transaction volume would amount to just under $5 million for the companies per quarter, or $20 million per year.

On March 21, a day after the U.S. slapped sanctions on Russia over its annexation of Crimea, Visa and MasterCard suspended payment services to Bank Rossiya and two other banks whose shareholders appeared on the sanctions list, prompting anxiety over the dependence of the country's financial system on foreign service providers that are unaccountable in Russia.

Legislation on the creation of a national payment service was submitted to the Duma within days of the suspension of services.

Last week, the government said that foreign banks should be allowed to participate in the construction of the payment system, but recommended that the system's uninterrupted service be required by law.

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