

Legislators Prepare Compromise to Stop Visa, MasterCard Quitting Russia

By [The Moscow Times](#)

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Russian legislators may be preparing to compromise with Visa and MasterCard to trim the size of a \$2.9 billion security deposit required by a recent law placing foreign electronic payment services under stringent Russian government regulation.

Anatoly Aksakov, deputy head of the State Duma's Finance committee, said Wednesday that a compromise between Visa and MasterCard and the Duma will be found before the law comes in to effect on June 1, RIA Novosti reported.

In its current form, the legislation would force Visa and MasterCard — which together process 90 percent of payments in Russia — to between them pass \$2.9 billion to the Russian Central Bank as a security deposit. This is some five times more than the two companies' combined revenue in Russia, U.S. bank Morgan Stanley said in a recent study, which concluded that Visa and MasterCard might be better off cutting their losses and quitting the market.

Visa and MasterCard have petitioned the government to reduce the size of the deposit, Aksakov said, adding that a compromise should be found that "ensures uninterrupted payments without being too burdensome for international payment systems, so that they will still be interested in the Russian market."

Uninterrupted service is a key goal of lawmakers — the new legislation was drafted after U.S. sanctions on Russia after Russia's annexation of Crimea from Ukraine forced Visa and MasterCard to unilaterally halt services to three Russian banks. Officials immediately began talking of Russia's reliance on untrustworthy foreign payment systems as a national security issue.

On Tuesday, Prime Minister Dmitry Medvedev told Bloomberg that Visa and MasterCard were negotiating with the Central Bank and commercial banks to amend the national payment system law, while Finance Minister Anton Siluanov was quoted by Interfax admitting that Russia relies on the two companies and "cannot lose them."

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