

Putin Approves Amendments to Law Penalizing Visa and MasterCard

By [The Moscow Times](#)

June 02, 2014

The  Moscow Times

President Vladimir Putin has approved amendments softening a law regulating foreign payment systems in Russia that risked driving Visa and MasterCard out of the country, Kommersant reported Monday.

Putin gave the green light to the changes at a closed meeting with the Central Bank and government last Wednesday, Kommersant reported, citing sources in the banking sector.

At issue is legislation signed into law by Putin on May 6 that forces Visa and MasterCard to between them hand over a \$2.9 billion security deposit — about five times more than their combined annual revenues in Russia — to the Central Bank, base their payment processing centers in Russia and proscribes harsh penalties for unilaterally halting payment services.

Last month, representatives of Visa and MasterCard met with Finance Minister Anton Siluanov and Deputy Prime Minister Igor Shuvalov in St. Petersburg and hammered out

a compromise that would likely see the security payment stipulation watered down and the two companies set up a local operator in Russia. It is not clear exactly what amendments were approved by Putin, but they will be submitted for approval to the State Duma this week, Kommersant reported.

Visa and MasterCard declined to comment on Monday.

The May 6 law seeks to prevent the two U.S. companies, which together process 90 percent of payments in Russia, from disrupting Russia's financial system. Shortly after Russia's annexation of Crimea from Ukraine in March, Visa and MasterCard responded to U.S. sanctions by abruptly halting services for two blacklisted Russian banks.

See also:

[Visa, MasterCard Better Off Quitting Russia, Morgan Stanley Says](#)

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