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Russia Looks for Alternatives to SWIFT to Curtail Sanctions Risk

By The Moscow Times

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In response to Western sanctions on Russia's financial sector, Russia's Central Bank is looking for ways to replace SWIFT, a Belgium-based interbank messaging service that is key to plugging banks into the global financial system.

Kommersant on Wednesday disclosed the contents of a letter sent by the regulator to Russian banks earlier this month recommending the creation of alternative means of communication between financial institutions. The move is designed to curtail Russia's reliance on SWIFT, the paper said.

Wider European sanctions on Russia over Ukraine could force SWIFT, which unites more than 10,000 financial institutions worldwide and processes payment orders for upward of $6 trillion every day, to stop operating in Russia. In July, a third round of sanctions against Moscow locked a number of Russia's major banks out of Western long-term capital markets.

In 2012, U.S. sanctions on Iran forced SWIFT to end relations with Iran's banking system.

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