

Sanctioned Russian Banks Seek Alternative to SWIFT

By [The Moscow Times](#)

October 13, 2014

The  Moscow Times

Sanctioned Russian banks VTB and Sberbank are discussing alternatives to the Belgium-based SWIFT payment system, VTB president Andrei Kostin told Russian agency TASS on Monday.

Last month the European Parliament proposed cutting Russia off from the SWIFT system over the Kremlin's alleged military support of separatists in eastern Ukraine. Soon afterward, Russia's Central Bank began testing Telex as a SWIFT substitute, Gazeta.ru reported.

“There is a choice: We can take advantage of the Central Bank system, which already exists, or we can create our own. We are negotiating with Sberbank,” Kostin told TASS.

But the Central Bank's system is expensive, he added, and may have problems with international payments. He did not specify the system that the Central Bank is using or the alternatives VTB and Sberbank are considering. The EU sanctioned both VTB and Sberbank in July, effectively cutting the banks out of Western capital markets.

So far the SWIFT company has refused to remove Russia from its system, citing their right to conduct business, TASS reported.

SWIFT, started in 1973, allows the secure sending of payments. The number of SWIFT users in Russia is second only to the United States, according to Russia's RosSWIFT association.

Original url:

<https://www.themoscowtimes.com/2014/10/13/sanctioned-russian-banks-look-for-alternative-to-swift-a40336>