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Russia's Central Bank Hit by Accusations of Sabotaging Ruble

By The Moscow Times

December 02, 2014



The Central Bank headquarters in Moscow.

The Prosecutor General's Office is looking into the Central Bank's operations after a ruling party lawmaker accused it being an "enemy of the country" by supposedly driving down the ruble and plotting "evil" against Russia.

The ruble weakened over 6 percent to the U.S. dollar over Monday and Tuesday amid Western sanctions against Moscow's over its policy on Ukraine and slumping energy prices. But Yevgeny Fyodorov, a United Russia lawmaker and member of the State Duma's Budget and Tax Committee, charged that the troubles were the Central Bank's fault.

"The Central Bank is an institutional enemy of the country," Fyodorov told Russian News Service radio on Monday. "Its bosses are officially abroad. I am assuming that it will do the maximum evil. The Central Bank will do everything to have the ruble rate fall."

Fyodorov has expressed his concerns to the Prosecutor General's Office, demanding that it open a "criminal case" against the bank, Russian News Service reported. The Central Bank confirmed Monday that the prosecutor's office was looking into its activities, the Interfax news agency reported.

"The Bank of Russia has received an inquiry from the Russian Prosecutor General's Office based on the request of State Duma lawmaker Yevgeny Fyodorov," a spokesperson for the bank was cited by Interfax as saying. "The Bank of Russia is currently preparing the necessary materials to respond to the prosecutor's office in connection with this inquiry."

Traders told Reuters on Monday that the Central Bank may have started to intervene on the foreign currency exchange market to slow down the slide of the ruble, which seemed headed for its steepest one-day fall since the 1998 financial crisis before recovering some of its loses in late trading.

Retail banks on Monday restricted their sales of foreign currencies, with Rosbank limiting transactions to no more than $1,000, Alfa Bank suspending retail currency exchange operations altogether, and Citibank selling foreign currencies only to its customers, the Izvestia daily reported Monday.

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