

# Ukraine Rebel Republic to 'Build New Banking System'

By [The Moscow Times](#)

March 12, 2015



The self-proclaimed Luhansk People's Republic (LNR) in eastern Ukraine will build its own banking system from scratch, the LNR's representative in Moscow, Vladislav Deinevo, said Thursday.

"The banking system we had was destroyed. Work is under way to create our own banking system," Deinevo was quoted as saying by Russian news agency Interfax.

The economy of eastern Ukraine has been ravaged by months of fighting between Moscow-backed separatist rebels and the pro-Western government in Kiev. Inflation on goods and services is rampant while many products are hard to come by because of the conflict.

Last month representatives of the LNR and the self-proclaimed Donetsk People's Republic (DNR) said that they were officially recognizing U.S. dollars, euros, Russian rubles and Chinese yuan in addition to Ukrainian hryvnas as legal currency on the territory they control.

Separatists have not ruled out officially switching to Russian rubles, or creating a currency of their own.

Original url:

<https://www.themoscowtimes.com/2015/03/12/ukraine-rebel-republic-to-build-new-banking-system-a44698>