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Ban on Russian Payment Systems to Harm Ukrainian Migrants

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Denis Abramov / Vedomosti

Ukraine's decision to ban six Russian international payment systems will have a negative effect on Ukrainian migrants abroad, including those working in Russia, experts surveyed by the RBC newspaper suggest.

Part of Ukraine's most recent extension of sanctions against Russia, the ban will force Ukrainian migrants to pay a higher premium for money transfers home. The six companies sanctioned — Kolibri, Golden Crown, Unistream, Leader, Anelik, and Blizko — generally charge a low commission, often around 1.5 percent, for transfers to Ukraine.

Experts now say that these Russian companies will be forced to hand over an annual market share of around $1 billion dollars to their competitors. Ukrainian migrants will likely have to use Western money transfer companies, such as Western Union and Moneygram, which have higher commission rates.

Viktor Dostov, chairman of the board of the Electric Money association, told RBC that

intermediary companies would soon appear to duplicate the functions of the banned companies.

According to the Russian Migration Service, more than 2 million Ukrainians of working age currently reside in Russia.

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