

Russian Bank Issues First Crypto-Backed Loan

Cryptocurrency tokens were used as collateral for a personal loan for the first time in Russia.

August 19, 2020



Russia recently passed a law which will ban the use of cryptocurrencies as a method of payment for goods and services. **Kirill Zykov / Moskva News Agency**

A Russian bank has become the first lender in the country to issue a loan secured by cryptocurrency tokens, Russia's business daily Kommersant has [reported](#).

Lender Expobank said it issued an individual loan to businessman Mikhail Uspensky earlier this week, with Uspensky putting up Waves crypto tokens as collateral for the agreement.

The value of the loan was not disclosed. Kommersant said the bank consulted a number of lawyers and crypto experts on the deal beforehand, resulting in the Waves tokens being defined as "other property" and placed in an escrow account for the purposes of securing the loan.

Tanzila Yandieva, head of Expobank's legal department said the deal was "precedent-setting for both the banking and legal communities."

Russia passed its first [law](#) on cryptocurrency earlier this summer. The digital currency industry saw its provisions as overly restrictive, as the rules will ban Russians from using cryptocurrencies as a form of payment when they come into force next year. Businesses will also be barred from advertising crypto payment options.

Expobank believes the use of the crypto tokens as collateral for a loan, defined as "property", would be allowed under the new guidelines.

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