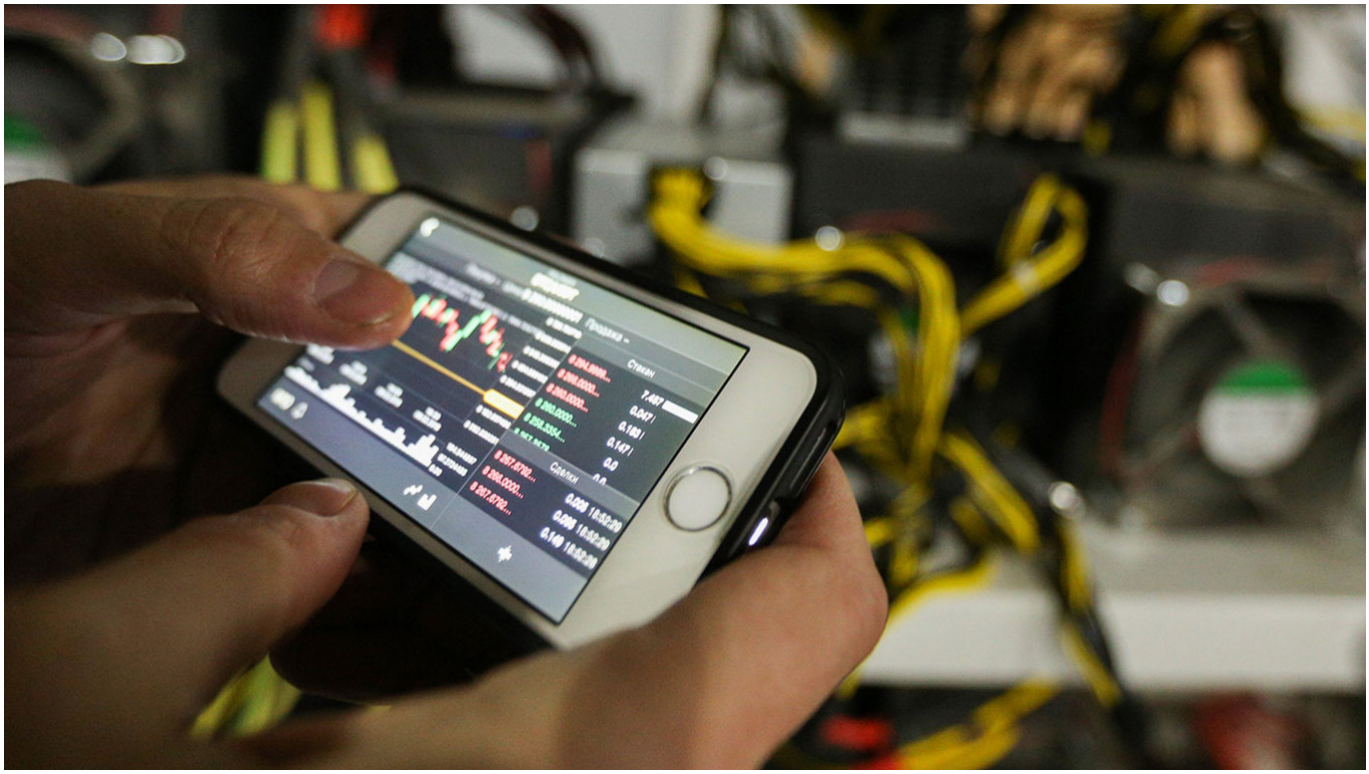
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Russia Mulls Crypto Investment Ban – Reuters

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Russia only recently legalized holding cryptocurrencies, and now the Central Bank is pushing for a ban on new investments, Reuters reported. **Kirill Zykov / Moskva News Agency**

Russia's Central Bank is mulling a ban on investing in cryptocurrency, Reuters reported Thursday, citing two unnamed sources close to the financial regulator.

The Central Bank, which has been an outspoken critic of cryptocurrency for many years, is reported to be concerned about the impact a large volume of cryptocurrency investments could have on Russia's financial stability.

Cryptocurrencies like Bitcoin and Ethereum, along with so-called "meme coins" like Dogecoin, have become widely popular among retail investors in recent years. But the digital currencies trade with huge volatility, and the Central Bank is concerned about risks potentially snowballing should their value plunge.

Related article: Russian Opposition Finds Refuge in Bitcoin

It is still illegal in Russia to conduct transactions with cryptocurrencies, but investing and buying crypto through exchanges is permitted under a recent change.

Any new tightening of restrictions could deal a blow to Russia's recent retail investment boom — the 15 million Russians who have opened a brokerage account in recent years, according to Central Bank estimates.

The regulator has previously moved swiftly to restrict access to other kinds of risky investment products, fearing Russia's comparatively low levels of financial literacy and aggressive marketing by brokers could push people into high-risk products. Retail investors now have to pass a series of tests if they want to invest in products like options and derivatives.

The Central Bank is currently preparing a report to outline its position on the possible ban of crypto investments, Reuters reported.

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