

Russian Central Bank Seeks to Ban Crypto Mining, Investment

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Kirill Zykov / Moskva News Agency

Russia's Central Bank proposed Thursday to [ban](#) cryptocurrency investment and mining as governments around the world crack down on the decentralized currencies, citing threats to monetary stability.

The Central Bank said “speculative demand” is driving the rapid growth of decentralized cryptocurrencies and risks creating a bubble in the market.

“Cryptocurrencies also have signs of a financial pyramid as increase in their prices is largely driven by demand demonstrated by new market participants,” it said.

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In its consultation paper outlining its position, the Bank said it seeks to ban financial institutions from investing in or carrying out any operations with cryptocurrencies.

The Central Bank also seeks to ban cryptocurrency exchanges and any platforms that facilitate the circulation of cryptocurrencies.

The Bank estimates that Russian citizens' transactions using decentralized cryptocurrencies amount to \$5 billion per year.

It also proposed banning crypto mining, citing the threat to Russia's financial stability through its "unproductive consumption" of electric power "and the implementation of Russia's environmental agenda."

Russia has the world's third-largest share in the global crypto mining market behind the United States and Kazakhstan. China cracked down on bitcoin mining last year.

The Central Bank plans to draft amendments to Russian legislation to ban crypto mining and investment in the coming months, its head of financial stability told the state-run RIA Novosti news agency.

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

The Central Bank is also planning to issue its own digital ruble as it seeks to retain control of its financial and monetary system.

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