

China's Visa, Mastercard Alternative Backs Away From Russia – Reports

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Andre M. Chang/ZUMA Press Wire/TASS

China's UnionPay system refused to cooperate with Russia's biggest lender Sberbank and suspended talks with other banks for fear of secondary sanctions, the RBC news website [reported](#) Wednesday.

Russian banks planned to issue cards using UnionPay after Visa and Mastercard suspended operations last month in compliance with sanctions imposed over Moscow's invasion of Ukraine. The Russian lenders, including Sberbank, are under U.S., U.K. and EU sanctions.

"The project [to issue UnionPay cards] is temporarily on hold," RBC quoted one of several unnamed banking sources as saying.

"They don't officially confirm that it's tied to sanctions, saying it's on pause until further instructions."

UnionPay also suspended negotiations with other sanctioned banks, including Russia's

largest private lender Alfa Bank, VTB and Otkrytie.

UnionPay [accounted](#) for 1% of Russian bank cards in 2020, according to Retail Banking Research. Demand for UnionPay cards grew tenfold following unprecedented western sanctions over Russia's war in Ukraine.

Russian UnionPay holders have [reported](#) difficulties with using the system to make payments in the United States, Israel, Europe, Asia and the Middle East.

Russia's Central Bank reassured Visa and Mastercard holders that the systems will continue to work within Russia until the cards expire.

Russia and China have proclaimed a "no-limits" friendship on the eve of Moscow's invasion of Ukraine.

However, subsequent reports have suggested China's reluctance to run afoul of unprecedented western sanctions.

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