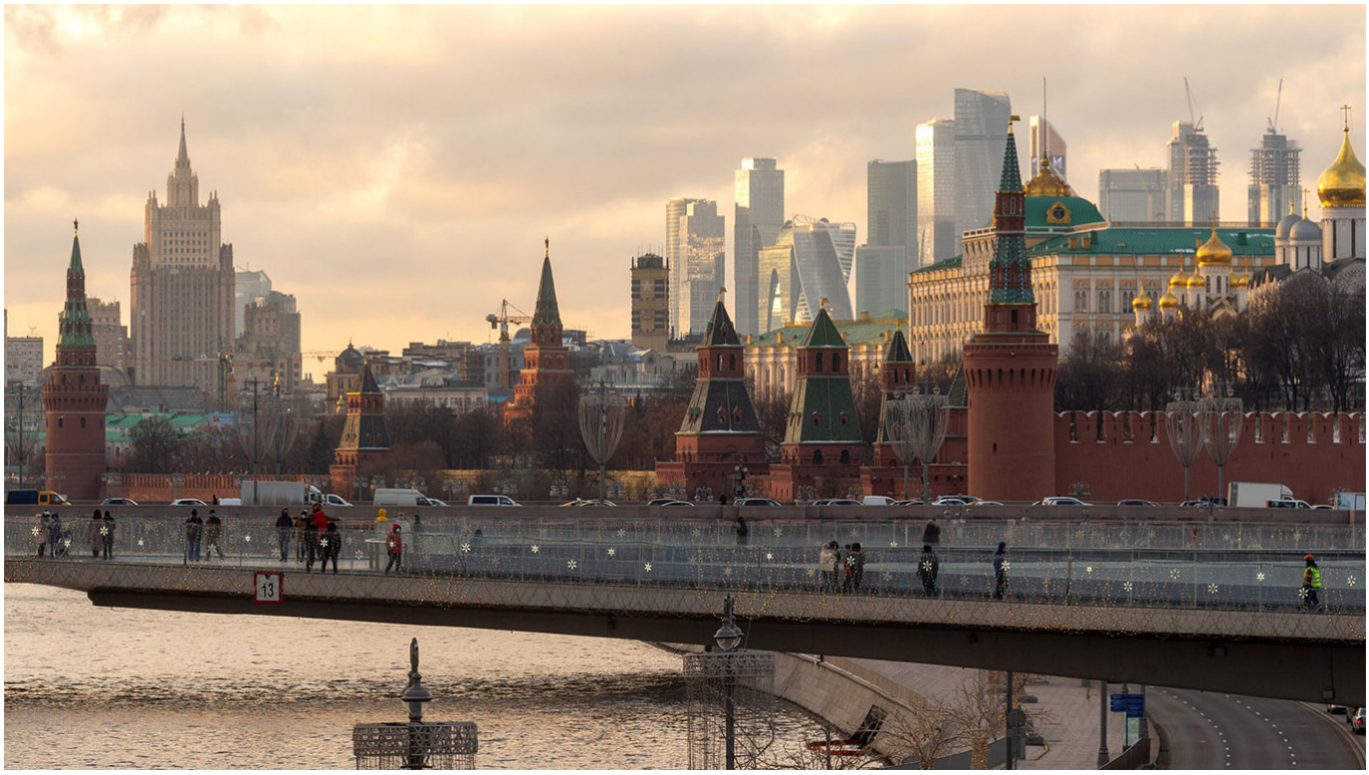
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Russia Offers To Settle Debt Disputes With Creditors

By AFP

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Denis Grishkin / Moskva News Agency

Russia said Thursday it was ready to directly settle any disputes with its creditors after missing payments on its foreign debt due to Western sanctions over Ukraine.

Moscow faces the risk of its first external debt default in more than a century.

Punishing Western sanctions on Russia have largely severed the country from the international financial system, making it difficult for Moscow to service its debt.

Russia's Finance Ministry said in a statement on Thursday it was "ready to consider and, if there are necessary grounds, to bilaterally settle all complaints regarding the complete fulfilment of debt obligations on the 'Russia-2022' Eurobonds."

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The statement provided two email addresses to which complaints should be directed, adding that "all requests will be considered."

Some creditors are requesting "additional interest" for as long as the payments are outstanding, the statement said.

The ministry blamed the delay in processing payments on the "illegal actions of foreign financial intermediaries."

Separately, the Finance Ministry said that the London branch of Citibank, which will no longer be servicing Russia's Eurobonds, had been replaced with the Moscow-based National Settlement Depository.

In late May, Russia said it would start paying its foreign debt in rubles after Washington ended an exemption allowing Moscow to make the payments in dollars held in Russia.

On Wednesday, for the first time, a panel of investors said that Russia failed to pay $1.9 million of accrued interest on a sovereign bond due on April 4.

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