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UAE Banks Limit Payments With Russia Over Secondary Sanctions Threat – Vedomosti

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Dubai, UAE. **Darcey Beau / Unsplash**

Major lenders in the United Arab Emirates (UAE) have begun closing bank accounts belonging to Russian nationals and limiting settlements with Russia following threats of secondary sanctions from the United States, the Vedomosti business daily reported Monday, citing anonymous Russian business and government sources.

In December, the United States threatened to cut off access to its financial system to foreign banks doing business with companies that support Russia's defense industry.

The warnings from Washington have already prompted some banks in China and Turkey to limit settlements and close accounts belonging to Russian citizens.

Facing risks of secondary sanctions, UAE banks have stopped processing payments to and from Russia and are gradually closing the accounts of Russian citizens, Vedomosti said, citing

an unnamed spokesperson for the Delovaya Rossiya business association.

Related article: Turkish Banks Close Russian Corporate Accounts Over Secondary Sanctions – Vedomosti

Three Russian business owners in the UAE told the newspaper that they began experiencing difficulties with processing payments in September of last year.

Russia's government, Economic Development Ministry, the Bank of Russia and the Central Bank of the UAE did not respond to Vedomosti's requests for comment.

But an anonymous source close to the Russian government told the newspaper that Moscow considers the issue with UAE banks "non-critical and solvable."

Elvira Nabiullina, who heads Russia's Central Bank, acknowledged last week that foreign trade settlements were "deteriorating" and said the national bank she presides over was "thinking about solutions."

Moscow and UAE have closely cooperated as members of the OPEC+ oil cartel despite an unprecedented number of Western sanctions against Russia in response to its invasion of Ukraine.

Abu Dhabi is one of the rare world capitals that still maintains direct flights to and from Moscow, and President Vladimir Putin visited the UAE in December.

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