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Armenian Banks to Suspend Russia's Mir Payment System – RBC

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Most banks in Armenia will suspend Russia's Mir payment system from March 30, the RBC news website reported Tuesday, citing the local subsidiary of Russian state-owned bank VTB.

"Cashless payments at POS terminals and cash withdrawal from other bank ATMs will be unavailable," said an unnamed VTB Armenia spokesperson, adding that its clients will not experience any changes in services.

The announcement comes after the United States imposed sanctions on Mir's operator, the National Payment Card System, as part of sweeping penalties on the second anniversary of Russia's invasion of Ukraine.

Russia's Central Bank representative told RBC it continues to work with "friendly" countries to accept Mir but cannot interfere with individual countries' decisions.

Central Bank chief Elvira Nabiullina has acknowledged "difficulties" in the global expansion

of the payment system.

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Russia developed Mir in 2015 to circumvent Western sanctions following its annexation of Crimea, but it has come under U.S. scrutiny since Moscow sent troops into Ukraine.

More than half of Russia's population is estimated to have a Mir card.

Mir's suspensions hinder Russian nationals abroad from making non-cash transactions after Western sanctions rendered their Russian-issued Visa and Mastercard cards unusable in March 2022.

Some banks in other Russia-friendly countries including Kazakhstan, Uzbekistan and Tajikistan have also suspended the use of Mir.

Russia's longtime ally Armenia has grown angry with Moscow over what it considered inaction during Azerbaijan's offensive to retake Nagorno-Karabakh.

The U.S. Treasury has warned banks outside the United States that dealing with Mir "would risk supporting Russia's efforts to evade U.S. sanctions."

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