The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Kyrgyz Banks Tighten Restrictions on Russian Transactions Amid U.S. Sanctions Pressure

July 22, 2025



The flag of Kyrgyzstan. **limon.kg**

Banks across Kyrgyzstan are tightening restrictions on financial transactions involving Russian companies, citing fears of U.S. secondary sanctions, the RBC news website reported Monday.

According to trade consultants and legal experts, payment processing times have increased, commission fees have doubled and some transfers from Russian firms have been halted altogether.

Russia accounts for more than 90% of cross-border payments in Kyrgyzstan. In 2023 alone, Russian entities sent $2.8 billion to Kyrgyzstan and received $370 million in return.

Several major Kyrgyz banks, including Bakai Bank, Demir Bank, Optima Bank and Keremet Bank, curtailed or suspended transactions with Russian financial institutions throughout

2024, according to the Kyrgyz news site 24kg.

The country's central bank defended the restrictions as necessary to comply with anti-money laundering laws and client verification procedures.

Related article: Kyrgyzstan Says Suspended Mir Payment Cards Under Threat of Shutdown

Kyrgyz banks reportedly acted under heightened scrutiny after the U.S. Treasury blacklisted Keremet Bank in January 2025, accusing it of facilitating transactions with Russia's PSB Bank, which is sanctioned for its ties to Moscow's defense sector.

In response, Kyrgyz authorities designated Capital Bank as the sole institution authorized to handle ruble transactions, concentrating most Russia-linked transfers through a single channel.

These restrictions have disrupted trade flows. Transaction processing times now stretch up to three days, while fees have surged to as high as 3%, according to RBC. Russian companies must provide extensive documentation proving goods deliveries to Kyrgyzstan, or risk having payments blocked.

Kyrgyzstan has emerged as a key conduit for parallel imports into Russia since the invasion of Ukraine, with its imports from the European Union surging by more than 60% in the first 18 months of the war.

Original url:
https://www.themoscowtimes.com/2025/07/22/kyrgyz-banks-tighten-restrictions-on-russian-transactions-amid-us-sanctions-pressure-a89914