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How the Kremlin Is Considering Cracking Down on Financial Freedom

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Sophia Sandurskaya / Moskva News Agency

A quiet banking revolution is taking place in Russia. We may lose the right to freely dispose of our own money — at least the money that isn't physically in our pockets.

Alongside grandiose statements about the bright future of Russia's financial system at last week's TOLK Forum 2026, there was a quieter session where officials discussed the future of banking. It didn't go entirely unnoticed, with the media quoting Economic Development Minister Maxim Oreshkin as saying "Banks must die."

But according to those present, something far more serious was discussed: a fundamental restructuring of the financial system that gives the state even greater control.

In short, the standoff between banks and marketplaces is supposed to end by turning them all into universal trade-and-finance platforms. More importantly, all the data generated there is

to be consolidated into one massive database. Naturally, the keys to this information will belong to the state since, as officials see it, data security should not be entrusted to private hands.

There was even talk of creating a government body to manage this "meta-platform," which would place the entire financial life of citizens under constant state surveillance. Some even suggested that this would transform the market economy into some new, more advanced form.

I cannot say for certain whether that is really what was agreed. I was not there. But I have no trouble believing that this is how the authorities imagine governance. Recent developments certainly point in that direction.

It might be your money, but it's their rules. We have already grown accustomed to banks having the right to block payments, or even freeze entire accounts. The justification is the notorious anti-money laundering law (115-FZ), or suspicion that you are acting under the influence of fraudsters — or are one yourself.

Such cases are no longer unusual. But apparently that was not enough.

We have effectively lost our ability to bank with minimal scrutiny. It was already somewhat illusory, but at least there used to be formalities: the authorities court approval (long since abolished) or some basis for suspicion to intervene. Now, banks will automatically notify tax authorities if transfers between individuals exceed 2.4 million rubles ($30,500) per year.

Officially, this is to prevent tax evasion so that people doing cash in hand work can't disguise it as "loan repayments," "gifts," or "assistance."

Now, if you send or receive money above that threshold, expect questions from the tax authorities. And given past practice, the bank will likely just block the transaction.

There is an exception for gifts from close relatives. But that category is narrowly defined to only include spouses, parents and children. If you want to give your grandmother or nephew a generous wedding gift, you may find yourself explaining it to both the bank and the tax service.

And if you are collecting money from friends and family for a mortgage down payment, you might want to hurry. Later, it will be difficult to prove that you are not, in fact, a tax evader.

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Last week, a deepfake circulated in which Central Bank chief Elvira Nabiullina supposedly said: "Your money in the bank is not really yours."

She did not say this. But if she had, it would not be an inaccurate description of what's happening.

Legally, when you deposit money, you become a creditor of the bank which, under various

laws, can delay or restrict access to those funds.

Bailiffs and tax authorities can withdraw money from your account without a court order. First, the tax service may decide that a transfer you received constitutes undeclared business activity rather than, say, a gift from a friend.

They will deduct what they consider appropriate — taxes, penalties, and fines. If you disagree, you can go to court, where you will likely spend years proving your case — and tens of thousands of rubles on legal fees.

Even if you win, recovering your money is another ordeal. Enforcement agencies cannot seize funds from the tax authorities as easily as they do from you. Most people simply give up.

Many motorists are already familiar with this dynamic. Disputing a 3,000 ruble ($38) fine can cost ten times as much in legal fees. Few bother. Now, similar logic may be applied to large financial transfers.

At the same time, the authorities have turned to cryptocurrency.

This is presented as the legalization of the crypto market. In reality, it will benefit state-connected importers and insiders, which will result in tighter restrictions for everyone.

Under a new draft law, cryptocurrency trading will be allowed only on exchanges registered with the Central Bank. Platforms like Binance and peer-to-peer transactions will effectively be banned.

Only companies engaged in foreign trade will be allowed to use crypto for payments. But transferring crypto abroad will be limited to licensed platforms.

Existing crypto holdings must be declared to the tax service in order to be considered legally owned. Storage will also be restricted: funds must be held in licensed custodial accounts, not in personal wallets.

Individuals may still mine cryptocurrency, but only within government-set energy limits. It is safe to assume that making serious profits this way will not be allowed.

As of July 1, all Russian citizens — regardless of where they live — must report foreign crypto wallets to the tax authorities and provide transaction reports. Violations can result in fines of up to 1 million rubles ($12,700).

The obvious question is: why is this happening?

Why is the state intruding so aggressively into citizens' finances — managing their money as if it were not their own?

Many believe the answer is simple: the budget needs money.

There is some logic to that. Rising oil prices — driven by tensions in the Strait of Hormuz — could bring Russia between 4 and 10 trillion rubles ($50.5 to $127 billion). That would at least partially offset the deficit.

But there are uncertainties. Prices may not stay high. Export volumes could fall due to infrastructure damage from Ukrainian drone attacks. In that case, Russia may not benefit even from higher prices.

Still, is it worth frightening citizens into treating every ruble as suspect, especially when many are already shifting to cash because of internet disruptions?

Unsurprisingly, conspiracy theories are spreading.

Some believe the government is preparing something like the 1991 Pavlov reform, where people withdrew their savings in panic after it was announced that bills with large denominations would be retired and confiscated in a misguided attempt to stem inflation and black market trade.

Whether or not that is true, one thing is certain: people will start hiding money.

In cash. In dollars. In gold. Abroad. Under mattresses.

They will hide it — and grow more resentful.

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All of this is so predictable that it is hard to believe the goal is simply to raise revenue. This is about something deeper: how those in power view the population.

They see citizens as irresponsible, dishonest, and incapable of managing their own money. Left unsupervised, people will either fall victim to scams, drink their money away, or try to cheat the state.

Better to control everything in advance than to allow the presumption of innocence—or personal freedom.

Privacy, in this worldview, is irrelevant. A good citizen has nothing to hide, after all.

So: control, control, control.

The state knows better how you should spend your money—and whether you earned it legitimately in the first place.

Big Brother has long been watching you.

Now, he is watching your wallet too. And one begins to wonder how this will all end.

The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.

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