

Regulator Shuts Down 3 More Banks as Crackdown on Shady Transactions Continues

By [The Moscow Times](#)

March 05, 2014

The  **Moscow Times**

The Central Bank was stripping three lenders of their licenses. / Kuba / Wikicommons

The Central Bank announced Wednesday that it was stripping three lenders of their licenses amid suspicions they were engaged in enabling money laundering and financing of terrorism.

The regulator said in a statement that Dagestan Bank, Moscow-based Monolit Bank and the Bank of Business Development in the Siberian city of Kemerovo would no longer be permitted to operate.

The Central Bank said Dagestan Bank, a lender based in the southern Russian province troubled by a long-running Islamism-fueled insurgency, had processed 1.6 billion rubles (\$44.4 million) of suspect funds and failed to comply with internal control rules on combating money laundering and terrorist financing.

Business Development Bank transferred 4.8 billion rubles (\$133 million) in suspicious transactions last year, the regulator said.

The Central Bank stopped short of accusing Monolit, the largest of the three banks, of money laundering, but said it had last year conducted 9 billion rubles' worth (\$250 million) of suspicious transactions, failed to serve clients in a timely manner and engaged in a credit policy that was too high-risk.

Monolit had already halted operations in late February.

Authorities have been tightening control over the banking sector since last year, revoking the licenses of 30 banks in 2013 in a crackdown aimed at reining in shadow banking activity.

The increased pressure on banks has caused widespread unease, and experts predicted that it could precipitate a flood of new customers for the large state-owned banks that dominate the banking sector.

Original url:

<https://www.themoscowtimes.com/2014/03/05/regulator-shuts-down-3-more-banks-as-crackdown-on-shady-transactions-continues-a32699>