

Visa and Mastercard Resume SMP Bank Transactions After Sanctions

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Credit card companies Visa and Mastercard are again processing transactions for SMP Bank, reversing a suspension of operations for the institution after its owners were placed on a U.S. sanctions list.

A spokesperson for the bank told Interfax Sunday that Mastercard had made the decision to resume working with the institution on Saturday night, while Visa reportedly agreed the next morning to process transactions from the Russian bank's cards.

Bank cards for SMP had previously been blocked by the U.S. companies after the bank's major shareholders Arkady and Boris Rotenberg were included in a list of officials sanctioned by the United States following Russia's annexation of Ukraine's Crimea region.

SMP had said that the suspension of operations had been illegal because the second round of U.S. sanctions, announced Thursday, had targeted the Rotenbergs and not the bank itself. The U.S. Treasury Department restrictions, which included asset freezes and visa bans against high ranking government officials and businessmen close to President Vladimir Putin,

specifically targeted Bank Rossiya, which is used by many government employees and chaired by Kremlin ally Yuri Kovalchuk.

U.S. companies and citizens are prohibited from doing business with the officials and organizations on the sanctions list.

However the U.S.'s position in global finance will make the measures farther reaching, William Browder, CEO of Hermitage Capital and one of the driving forces behind the U.S.'s previous blacklist of Russian officials under the Magnitsky Act, said. "Anyone on a U.S. sanctions list will effectively be frozen out of the entire financial system in the world. Not just U.S.," he posted on his Twitter account Thursday.

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