

Duma Committee Plans Crackdown on Foreign Online Payment Systems

By [The Moscow Times](#)

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A State Duma committee is preparing legislation that would require foreign Internet payment systems such as PayPal and WebMoney to pay hefty security deposits to continue operating in Russia, the same measure that risks pushing Visa and MasterCard out of the Russian market, a United Russia deputy told Izvestia on Thursday.

Deputy Yevgeny Fyodorov, who sits on the Budget and Taxation committee, said that the mandatory security deposit would supply an "air bag" to protect Russian users in the event of foreign sanctions. The bill includes an array of other limitations on the payment systems operations, he added.

Foreign payment systems have found themselves at the center of a cycle of Western sanctions and domestic retaliation following Russia's annexation of Crimea. Visa and MasterCard took the Russian financial sector by surprise in March when they cut services to two Russian banks

sanctioned by the U.S. Treasury. President Vladimir Putin responded by declaring dependence on foreign electronic payment systems a national security issue and calling for the creation of a domestic alternative.

Preparations for the launch of Russia's national payment system are now well underway, while Visa and MasterCard's future in Russia remains uncertain. A bill passed in May would require the two companies to pay a massive security deposit — estimated at \$2.9 billion by Morgan Stanley — to continue their operations in Russia. The Duma last week began discussing amendments to soften the law.

The government has been intensifying regulation of all online payment systems, foreign-owned and otherwise, throughout the year. Legislation signed into law in May banned anonymous payments between individuals of over 15,000 rubles (\$435) per day and set a limit of 40,000 rubles per month.

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