

Central Bank to Create Own Platform for Payment System

By [The Moscow Times](#)

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The Central Bank on Tuesday decided to create its own, brand-new platform for Russia's national payment system, rather than contracting a company to build the system as was expected, according to a statement on the regulator's website.

The creation of a national payment system leapt to the top of the Russian government's list of priorities earlier this year after international payment systems Visa and MasterCard abruptly stopped servicing two Russian banks with connections to allies of President Vladimir Putin that had been blacklisted by the U.S. in response to Russia's annexation of Crimea.

Putin in May signed a law paving the way for the establishment of a national payment system to end Russia's dependence on foreign ones such as Visa and MasterCard, which together process about 90 percent of transactions in Russia.

An interdepartmental commission tasked with selecting the platform on Tuesday opted

to create an entirely new platform to facilitate payments, forgoing proposals to use the Universal Electronic Card developed by leading Russian lender Sberbank or the Golden Crown money transfer system.

The Central Bank's chief, Elvira Nabiullina, said in late June that the creation of a national payment system would be completed in six months.

However, Visa and MasterCard have until Oct. 31 to find a Russian payment system "of national importance" to process their transactions if they are to avoid paying a security deposit of up to \$2.9 billion and fines for interruption of service.

Last week, the government released its requirements that electronic payment systems will have to fulfill to be considered "of national importance." The new payment system will have to meet similar standards.

One of the requirements is that at least 25 percent of the system's infrastructure, applications and software must be developed by Russian organizations under contracts that last at least five years.

As of July 22, only one Russian payment system qualifies as a system of national importance — the National Settlement Depository, a part of the Moscow Stock Exchange group.

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