

Visa, MasterCard to Carry On in Russia, Regardless of Sanctions

By [The Moscow Times](#)

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International payment systems operators Visa and MasterCard said Wednesday that they would not stop servicing the cards of VTB, Bank of Moscow and Rosselkhozbank after they were hit by U.S. sanctions, ITAR-Tass reported.

The U.S.'s new packet of economic sanctions has no impact on Visa's operations in Russia and does not oblige Visa to suspend or block the operations of sanctioned financial institutions or banks that provide Visa or MasterCard-sponsored payment cards to their clients, a spokesperson for the company told ITAR-Tass.

A MasterCard spokesman said that while sanctions prevent blacklisted banks from accessing U.S. capital markets, they do not affect MasterCard's activities in Russia.

The sanctions, published Tuesday on the U.S. Treasury Department's website, will bar U.S. persons and people on U.S. territory from doing business with the targeted banks

and providing them with new equity or debt with a maturity period of longer than 90 days.

The companies' responses mirrored those they gave in mid-July when the U.S. imposed sanctions on two state-owned Russian banks, Gazprombank and Vneshekonombank, over Russia's alleged involvement in the Ukraine conflict.

The payment systems infuriated Russian lawmakers earlier this year when they stopped processing transactions for Bank Rossiya to comply with U.S. sanctions on the lender. Bank Rossiya was the first company to fall foul of souring relations between Russia and the West over the crisis in Ukraine. The payment systems later stopped providing services for SMP Bank, whose co-owners, Russian tycoons Boris and Arkady Rotenberg, were blacklisted by Washington.

The halt in service prompted President Vladimir Putin to sign a law in May on the creation of a national payment system to reduce Russia's dependence on foreign systems such as Visa and MasterCard, which together process about 90 percent of transactions in Russia.

The law had looked set to force the two companies out of Russia by ordering them to pay a massive security deposit to continue operations in the country, but the Central Bank has since offered a compromise: The companies can avoid the payment if they find Russian payment system "of national importance" to process their transactions by Oct. 31.

See also:

[Central Bank to Create Own Platform for Payment System](https://www.themoscowtimes.com/2014/07/30/visa-mastercard-to-carry-on-in-russia-regardless-of-sanctions-a37837)

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