

Russia may use China's payment infrastructure instead of SWIFT — VTB Bank head

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MOSCOW, March 11. /TASS/ -- Russia may eventually use China's payment infrastructure instead of international bank message system SWIFT, VTB Bank Chief Andrey Kostin said in an interview with Bloomberg news agency on Wednesday.

"With time but not now," Kostin said in reply to a question about whether Russia would be able to switch to the Chinese International Payment System (CIPS) if it experienced problems with SWIFT.

The VTB head said the international financial system was becoming not very convenient for Russia as it posed a threat to Russia's security.

"We'll definitely work closer with Chinese colleagues to develop alternative systems," the head of Russia's second largest bank said.

The VTB chief said he doubted that the situation would develop to extremes.

"I don't believe there will be a decision on disconnection because this is a very unfriendly and even alien step towards Russia," he said.

The news agency Reuters reported on Tuesday China might launch an international payment system for external settlements in yuans in September-October 2015.

The CIPS will allow banks in various countries to exchange instructions in yuans instead of US dollars thanks to lower transaction costs.

Last year, Western countries considered disconnecting Russia from SWIFT as a possible sanction over Russia's stance on developments in neighboring Ukraine. The proposal was made by UK Prime Minister David Cameron and was also mentioned in a resolution of the European parliament.

SWIFT representatives said, however, they were not going to disconnect Russia from their system, despite political pressure they were experiencing. Being EU-based, SWIFT may disconnect Russia only if a relevant decision is made by the EU authorities, the international bank message system said.

Russia's Central Bank has already started testing alternatives to SWIFT in Russia, over the threat of Russia's possible disconnection.

Russia's Central Bank provided domestic banks access from December 2014 to its alternative to the SWIFT bank message system for transactions inside Russia.

Russia's Central Bank has said the new service is intended to ensure uninterrupted and secure transfer of financial messages inside the country.

Deputy Director of the Central Bank's National Payment System Department Ramilya Kanafina said in November the regulator planned to complete establishing an alternative to the SWIFT international financial message system in May 2015.

The regulator also planned to establish a separate SWIFT-format processing center, she added.

Адрес страницы: <http://moscowdebt.mos.ru/sec-english/presscenter/news/detail/1654608.html>
