



Russia Again Warns SWIFT Disconnection A Real Possibility In “Sanctions Spiral”

Description

RUSSIA: Russia is again warning of the impending threat of the West blocking its banks from using the SWIFT payment system amid a broad **“spiral of sanctions”** – in the words of director of the Economic Cooperation Department (DEC) of the Russian Foreign Ministry Dmitry Biriachevsky.

“It’s no secret that there are threats, **primarily from the United States, to disconnect Russia from the SWIFT system**,” [he described](#) in Monday statements to a national broadcaster. It’s certainly not the first time that Western allies have threatened such. The threat to cut off Russia from the global system for financial messaging and cross-border payments which acts as the protector of the dollar reserve system has lingered for the past half-decade, going back to the initial Crimea crisis and the start of war in eastern Ukraine, and recently repeated in an EU resolution.



Via TASS

The top Russian economic officials still said he’s confident Russia won’t be disconnected “anytime soon” or possibly never, but used the lingering threat to reintroduce that the country is pursuing its own

international payment mechanism: **“Since 2014, Russia has been working on its own payment system. This system already exists,”** he said.

“We all use the MIR card. It is also accepted in a number of neighboring countries and in Turkey. Negotiations are also underway with other partners,” he explained.

In recent years Russia has [pursued talks](#) with other countries – notably China, India, Iran and Turkey – over establishing major alternatives to the Belgium-based SWIFT system. It began pursuing alternatives in earnest particularly after it was hit with Western-led sanctions after 2014, and is more recently said to be experimenting with blockchain-based solutions.

It was only in late April that European lawmakers passed a resolution which enabled future severe retaliatory measures if Russia takes offensive actions against neighboring Ukraine, including booting the country from SWIFT.

Earlier that same month, just after new US sanctions were rolled out over alleged hacking and election interference, the Russian foreign ministry had highlighted the weakness of a system “controlled by the West”. Spokeswoman Maria Zakharova said at the time, “Naturally, all this casts doubt on not only the expediency of using the American currency as a priority payment currency, but also the reliability of using payment mechanisms controlled by the West.”

by Tyler Durden

Date Created
06/02/2021