

Strategic Adaptations of Russian Banks in Managing Cross-Border Payments

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1. Introduction

Cross-border payments play a crucial role in the global economy by facilitating international trade, foreign investment, international travel, and remittances, which support economic growth and promote financial inclusion. In a sense, they serve as an ‘engine’ for economic growth (World Economic Forum, 2025). Global cross-border traditional and crypto payment market reached approximately one quadrillion USD in 2024, with the financial institution-related payments via the Society for Worldwide Interbank Financial Telecommunication (SWIFT) representing the majority, and the crypto payments having only a small share despite their surge in recent years (Cerutti et al., 2025). However, digital technologies, such as growing adaptation of artificial intelligence (AI) and data analytics, the increased usage of stablecoins, cryptocurrency, and central bank digital currencies (CBDC) are rapidly transforming cross-border payments. Further development of the infrastructure that makes cross-border payments cheaper, faster, and more accessible brings numerous opportunities for

households and businesses, especially in emerging markets and developing economies (European Central Bank, 2023; JP Morgan, 2025).

In recent years, cross-border payments have become the target of financial sanctions, which limit access of the sanctioned countries to the SWIFT network. To date, the access to SWIFT has been limited to Iran, North Korea, Russia, and Belarus. In 2022, upon the escalation of Russia-Ukraine military conflict, Canada, the European Union (EU), Japan, the United Kingdom (UK), and the United States (US) agreed to remove seven Russian and three Belarusian banks from SWIFT. The SWIFT complied with these regulations, following the issuance of EU Council Regulations 2022/345 and 398, (Cipriani et al., 2023, p.25).

As of today, 27 Russian banks¹⁾ have been banned from the SWIFT system, and considering that many Russian banks are also included in SDN-list of the US and black list of the EU, overall, approximately 90% of Russia’s total banking sector assets are currently under sanctions²⁾. The sanctions imposed on Russia, particularly the ban on SWIFT for Russia’s largest

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1) The list of banks banned from SWIFT is as follows: Sberbank, VTB, MB-Bank, Rosselkhozbank, Moscow Credit Bank, Sovcombank, Bank ‘Rossiya,’ PSB, Novikombank, VEB.RF, VBRR, Ak bars bank, Uralsib, Bank ‘Tochka,’ National Reserve Bank, Roseksimbank, Bank ‘Sinara,’ Primsotsbank, BBR-bank, Kuznetskbusinessbank, Mir Business Bank, Bank ‘Kuban-credit,’ RNKO ‘Platzhny konstruktor,’ NKO AO ‘Peterburgsky platzhny centr.’ In addition, Alfa-Bank, T-bank, and National Settlement Depository are under the blocking sanctions of the EU, which prohibits direct transactions with the European banks, but theoretically there is a loophole of cooperation via SWIFT with other banks. Retrieved on Sep 17, 2025 from <https://www.profbanking.com/blitz-answer/4381-swift>

2) According to the information shared at the panel discussion ‘Transformation of the International Payment System: New Challenges and Opportunities’ organized on April 18, 2025 as a part of the 9th International Economic Symposium of Saint Petersburg State University, Saint Petersburg, Russia.

systematically-important banks, had a profound impact on cross-border payments. Prior to February 2022, approximately 95% of cross-border payments in Russia were conducted through correspondent accounts³⁾, with currencies from so-called ‘unfriendly countries and territories’⁴⁾ accounting for 64% of exports and 57% of imports (Table 1). By 2024, the currency composition of cross-border payments had changed significantly. The share of the Russian rouble in exports and imports increased to 41.5% and 43.6%, respectively. In contrast, the share of currencies from ‘unfriendly’ jurisdictions drastically declined, falling to 18.6% for exports and 21.9% for imports. Concurrently, the use of other currencies increased substantially, rising from 8.6% to 39.9% in exports, and from 4.3% to 34.5% in imports in the respective period (Table 1). The payments in Chinese yuan in Russia’s foreign trade accounted for approximately 34% in 2024 (Vedomosti, April 10, 2024).

In 2022, 12% of Russian companies overall and 15% of large firms reported that they had experienced delays in international payments (HSE University, 2023, p.12). By 2024, the issue had intensified significantly following the imposition of secondary sanctions on foreign entities involved in conducting business with the sanctioned Russian entities, with 52% of companies reporting difficulties with cross-border payments (Vedomosti, April 10, 2024). Thus, managing cross-border payments in conditions of sanctions remains an important task for many Russian banks and businesses.

The aim of this paper is to provide a comprehensive review of the strategic adaptations of Russian banks in managing cross-border payments in conditions of international sanctions. The paper explores how Russian banks have adjusted their existing payment mechanisms and what kinds of emerging payment alternatives are being developed in order to mitigate

the impact of restricted access to SWIFT and the risk of secondary sanctions on Russia’s trading partners.

Overcoming sanctions remains a sensitive issue for many Russian banks and companies as well as for their foreign counterparts, which limits the availability of detailed data on the specific methods utilised by individual banks and businesses. For this reason, this study primarily relies on secondary sources, such as review of the existing academic studies, analysis of media coverage, newspaper articles, and official government reports. Additionally, we utilised Bank of Russia’s statistics for the analysis of changes in currency composition of international payments.

The remainder of the paper is as follows. Section 2 examines the currency adjustments implemented by Russian banks in cross-border payments. Section 3 outlines new forms of strategic adaptations that have emerged in Russia-China international payments following the threat of secondary sanctions, with a particular focus on ‘mirror’ and ‘mixer’ transactions. Section 4 analyses alternative payment methods increasingly employed in foreign trade, including financial payment agents, trade intermediaries, payments in crypto assets, and BRICS Pay. Section 5 explores the strategic adaptations of Russian companies in managing international payments, such as barter transactions and legal contract modifications. Section 6 concludes the paper by summarizing its key findings.

2. Currency Adjustments in Cross-Border Payments

Limited access to the SWIFT system, along with restrictions on the utilisation of the US dollars and euros in cross-border payments, have accelerated structural shifts in the currency composition of cross-border payments between Russia and its trading partners (Table 1).

Firstly, the share of other currencies, such as Chinese

3) Same as above.

4) The List of Foreign States and Territories Taking Unfriendly Actions Against the Russian Federation, Russian Legal Entities and Individuals is defined by the Russia’s government decree No. 430-p, dated by March 5, 2022 and currently includes: Australia, Albania, Andorra, Bahamas, Great Britain, Iceland, Canada, Lichtenstein, Micronesia, Monaco, New Zealand, Norway, Republic of Korea, San-Marino, North Macedonia, Singapore, United States of America, Taiwan (China), Ukraine, Montenegro, Switzerland, and Japan.

Table 1. The Currency Composition of Payments for Goods and Services under Foreign Trade Contracts in Russia in 2019-2024

	2019	2020	2021	2022	2023	2024
<i>Exports</i>						
Russian roubles	15.0	14.8	14.3	27.8	39.0	41.5
'Unfriendly country' currencies	83.9	83.8	84.6	63.6	31.6	18.6
Other currencies	1.1	1.3	1.0	8.6	29.4	39.9
<i>Imports</i>						
Russian roubles	30.7	28.5	28.1	28.1	30.0	43.6
'Unfriendly country' currencies	66.2	68.0	67.6	56.6	34.0	21.9
Other currencies	3.0	3.5	4.3	15.2	36.0	34.5

Source: compiled by the author based on the Bank of Russia statistics.

yuan, Indian rupee, United Arab Emirates dirham, Turkish lira, and other currencies, in foreign trade contracts significantly increased from 1.1% to 39.9% in 2019-2024. This growth was primarily driven by the intensification of Russia's bilateral foreign trade with China, India, and Türkiye, which have increasingly served as transshipment hubs for Russian exports of mineral resources, as well as for imports of goods and services both from these countries and from third economies that have imposed sanctions on Russia. In 2024, China accounted for 29.8% of Russia's total exports followed by India (15.1%), Türkiye (9.9%), Belarus (8.1%), and Kazakhstan (4.2%). On the imports side, China also held the largest share at 40.8%, followed by Belarus (8.8%), Kazakhstan (3.4%), Germany (2.9%), and Türkiye (2.8%).

China remains Russia's largest trading partner, with bilateral trade turnover reaching USD 244.8 billion in 2024. Of this amount, Russian exports accounted for USD 129.3 billion, while imports from China totalled USD 115.5 billion (RBC News, January 23, 2025). For yuan-denominated payments, Russian banks utilise China's Cross-Border Interbank Payment System (CIPS) launched by the Bank of China in 2015 to facilitate cross-border yuan payments and clearing.

In addition, China Track System was publicly disclosed in 2025 after the increased risk of secondary sanctions against Chinese banks. This system has been set up by major sanctioned Russian banks (presumably,

all banks in the top 20 ranking measured by total assets) and involves a network of intermediaries registered in 'friendly' jurisdictions, which handle export and import payments in local currencies. All payments are aggregated centrally at the bank and only the final balance is being transferred, which allows to minimize the risk of secondary sanctions. Under the system, participating banks provide guarantees for payment settlement as well as financial instruments against a possible default of a payment agent or a counterparty. China Track is independent from SWIFT or Western bank accounts, and it allows payments directly to any Chinese bank without delay, provided that the goods are not under sanctions and the counterparty is registered in one of the selected 11 provinces of China⁵⁾. The commission in China Track is approximately 1% for import and 0.5% for export transactions, which is significantly lower than traditional banking commissions for international payments (Reuters, April 22, 2025).

In the case of India, direct bilateral arrangements between Russian and Indian banks allow for rupee-denominated settlements without the use of the SWIFT system. In 2022, the Reserve Bank of India (RBI) authorized overseas banks to open Special Rupee Vostro Accounts (SRVAs), held by designated Indian banks on behalf of foreign correspondent banks. This initiative was introduced to promote international trade in Indian rupees, to reduce dependence on 'hard

5) Guangdong, Zhejiang, Fujian, Shandong, Heilongjiang, Jilin, Xinjiang Uygur Autonomous Region, Shaanxi, Sichuan, Anhui, and Hebei.

currencies' such as the US dollar and euro, and to mitigate exposure to international sanctions. Under this mechanism, Indian importers make payments in rupees for Russian exports of mineral resources, which are credited to SRVAs, allowing Russian exporters to accumulate and utilise rupee balances within the Indian financial system (Reuters, August, 12, 2025). However, due to the imbalance in Russia-India bilateral trade, where Russian exports amounted to USD 65.7 billion in 2024 significantly exceeds the imports from India at only USD 4.9 billion, Russian exporters accumulate substantial amounts of rupees. The limited convertibility of the rupee, makes it impossible to repatriate these accumulated funds abroad without regulatory approval of the RBI. Despite the possibility of investing Indian rupees into the government bonds of India (Reuters, August, 12, 2025) or holding rupee-denominated savings in Russian banks such as Sberbank, which handles up to 70% of all cross-border payments for exports to India, these mechanisms offer only partial solution to the problem. The lack of liquidity and limited options for utilising surplus rupee holdings continue to present a problem for Russian business.

Secondly, the payments in roubles have significantly increased in the respective period (Table 1). In 2024, the share of export payments settled in roubles reached 37.7% for Asian countries, 30.0% for America, 52.9% for Africa, 60.4% for Europe, 54.2% for the Caribbean Basin, and 60.9% for Oceania. The drastic shift is caused by Russia's de-dollarization campaign, which is driven by diverse motivations such as the protection of state sovereignty, strategic rivalry with the United States, competition for power in oil pricing, and combat of international sanctions (Wenhong, 2023, p.9-11).

The de-dollarization accelerated after the imposition of massive sanctions in February 2022. On March 31, 2022, president Putin signed the Decree No. 172 'On the Special Procedures for the Fulfilment of Foreign Buyer Obligations to Russian Exporters of Natural Gas,' which obliged the importers from 'unfriendly' jurisdictions to establish special rouble accounts of

type 'K' and special foreign-currency accounts of type 'K' in Gazprombank. Additionally, the Decree of the President No. 589 'On the Special Procedure for Settlements under Foreign Trade Contracts for the Supply of Russian Agricultural Products' dated by August 8, 2023 established a mechanism for exporting Russian agricultural products in roubles through special accounts.

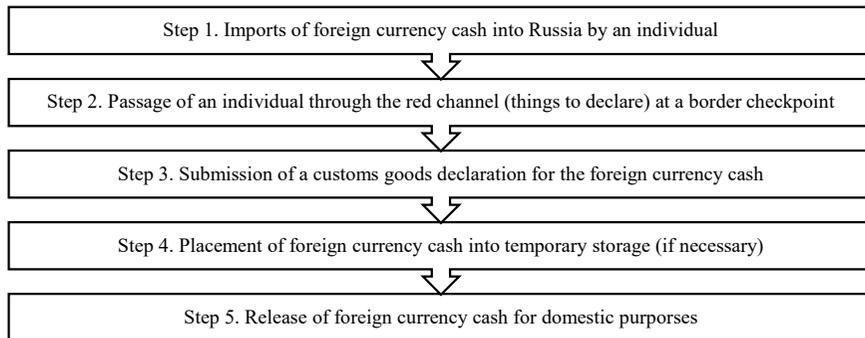
Importers are obliged to transfer foreign currency to foreign-currency accounts of type 'K'. After that, foreign currency is either directly sold to Gazprombank or the buyer instructs Gazprombank to sell it at foreign exchange market and to transfer the amount in roubles to special rouble accounts of type 'K' (Reuters, April 29, 2022). These measures combined with other government initiatives of de-dollarization have contributed to the expansion of payments in roubles.

Thirdly, payments in US dollars and euros have declined but have not disappeared entirely (Table 1). Such transactions are primarily orchestrated by non-sanctioned banks or foreign payment agents. These intermediaries may accumulate currency of 'unfriendly' jurisdictions for Russian exports and imports and organise corresponding payments. Although the exact amount of such transactions is difficult to estimate, the reliance on informal or alternative payments had been increasing.

And finally, cash settlements between Russian residents and non-residents were allowed in accordance with the Russia's Government Decree No. 2433 'On the Regulations on Cash Settlements between Participants of Foreign Economic Activity' dated December 26, 2022. The decree is applicable for cash foreign currency payments related to foreign trade contracts, such as export of goods, provision of services, intellectual property, prepayments made for goods and services which have not yet been delivered, or for intellectual property rights not yet transferred, as well as for the repayment of loans by residents to non-residents.

Russian companies receiving foreign cash from non-residents can utilise it within no later than 30 business days from the day of its importation into Russia for the

Figure 1. The Procedure for Custom Clearance of Foreign Currency Cash When Imported into Russia within the Framework of a Foreign Trade Transaction



Source: Khudzhatov, 2023.

following purposes:

- (1) making payments to foreign counterparties under imports contracts without depositing this cash into bank accounts in Russia or abroad;
- (2) depositing it into bank accounts abroad;
- (3) bring it to Russia (in this case they must sell foreign currency to a Russian bank at the exchange rate set by the Bank of Russia and deposit the equivalent amount in roubles into their accounts in Russian banks).

Additionally, the residents must report on foreign cash transactions to authorised banks within 45 business days. The exports and imports of foreign currency cash must be implemented in compliance with Russia's customs laws and regulations, and thus, it must be declared as 'goods.' (Khudzhatov, 2023). The detailed procedure for imports of foreign currency in cash is presented in Figure 1.

3. Mirror, Mixer, and Tail in Cross-Border Payments

Following the imposition of secondary sanctions and enhanced compliance risks, many foreign banks have refused to manage transactions with their Russian counterparts. In response, new forms of strategic adaptation have emerged, such as 'mirror' and 'mixer' transactions.

A mirror transaction is a financial arrangement designed to avoid cross-border payments, thereby reducing exposure to sanctions and regulatory

control. It typically involves parallel transactions in local currencies within connected banks located in two countries. Previous research highlights the intensification of mirror transactions in Russia-China foreign trade (Nekrasov, 2025).

In the Russia-China context, a Russian company receives roubles from a Chinese company within a Russian bank (Bank X), while the same Chinese company receives yuan from the Russian company within a Chinese bank (Bank X1). These transactions are 'mirrored' in local currencies in both countries, meaning that for every rouble transfer in Russia, there is a corresponding yuan transfer in China. Mirror transactions are facilitated by closely connected banks and since all transactions remain within local banking systems, there are no actual cross-border transfer of funds, thus, making it harder to be identified (Nekrasov, 2025, pp.10-11).

A mixer transaction is another mechanism designed to disguise the origin and destination of financial flows. In such a transaction, funds from a specific country are routed through a 'mixer,' typically a bank or a network of banks, where they are blended with other financial flows, including those from domestic operations and international trade. In the case of China, many rural banks are involved in such mixer transactions. These institutions often operate with complex and untransparent reporting systems, which makes it difficult to track individual transactions back to their

original source (Nekrasov, 2025, pp.11-12).

Mirror and mixer transactions are effective but also have shortcomings such as ‘tails.’ In currency settlement schemes involving roubles and yuan, there is always a mismatch between inflows and outflows of funds, which causes structural imbalances. These imbalances referred to as ‘tails’ represent persistent surpluses of one currency and deficits of another. While small imbalances can be managed through liquidity injections or interbank adjustments within national systems, large tails often require significant currency exchanges to manage balance, which includes the participation of third-country currencies, including those from ‘unfriendly’ jurisdictions (Nekrasov, 2025, pp.13-14).

Overall, these strategic adaptations help disguise financial flows, but they also significantly complicate international payments and increase transaction costs for Russian business.

4. Alternative Payment Methods

Apart from currency adjustments and mirror and mixer transactions, there are other alternative payment methods explored by Russian banks and businesses.

Firstly, the use of financial payment agents located in ‘friendly’ jurisdictions, such as Hong Kong, Kyrgyzstan, Kazakhstan, Serbia, Türkiye, and the United Arab Emirates. Under such arrangements, Russian banks or companies remit payments in an agreed-upon currency to a financial agent based in a ‘friendly’ jurisdiction. The agent converts the funds into the required currency and transfers them to the exporter, deducting a commission fee (Kovalenko, 2025).

Some Russian companies also increasingly rely on

trade intermediaries – third country firms that facilitate international transactions without direct contractual or financial ties between the original buyer and seller (Kovalenko, 2025). A triangular trade structure may be used to manage such transactions, in which, for instance, a Chinese exporter will sell to an intermediary company located in a third country, such as Türkiye, which will resell the goods to the Russian importer. The goods can be shipped directly to Russia or to an intermediary company in Türkiye, while financial payments first flow from Russia to Türkiye, and then from Türkiye to China. Thus, the physical flow of goods is decoupled from the contractual and financial flows.

Secondly, in June 2025, the Bank of Russia launched a regulatory sandbox for testing crypto-based settlements in foreign trade. Crypto assets are legally recognized as property, but their usage as means of payment is prohibited within Russia. Utilising crypto assets for international payments remains a legal grey area, especially when some Russian companies are reported to use crypto assets in international trade due to sanctions. According to the Bank of Russia, a limited number of legal entities will be permitted to use digital currencies for foreign trade settlements under the experimental regime. A specific digital platform is being developed to facilitate these transactions, ensuring they are conducted in compliance with the existing legal and regulatory standards. The system will be a closed one, with all transactions being traceable (RBC News, June 30, 2025).

The primary cryptocurrencies to be utilised in these transactions include Tether (USDT)⁶, TRX (TRON)⁷, and Ether (Ethereum)⁸. The federal law No. 259 ‘On Digital Financial Assets,’ also regulates financial

6) Tether is a cryptocurrency stablecoin launched by Tether Limited Inc. in 2014. Also referred as USDT. It is pegged to the US dollar. It is the largest cryptocurrency in terms of trading volume, holding 70% of the market share among stablecoins. In 2019, it surpassed bitcoin to become the most traded cryptocurrency globally.

7) TRX, or Tronix, is the native cryptocurrency of the decentralized proof-of-stake blockchain platform with smart contract functionality called TRON. It was founded in March 2014 originally as an Ethereum-based ERC-20 token, which switched protocol to its own blockchain in 2018.

8) Ether is the native cryptocurrency of a decentralized blockchain with smart contract functionality called Ethereum. It is an open-source software launched in 2013.

instruments that certify digital rights for claims, equity, participation rights in the capital of privately held companies, and rights to demand the transfer of already issued securities. In essence, it refers to ‘tokenization’ of real-world assets or rights on a blockchain. Digital rights are not recognised as a means of payment, but they can be bought, sold, and transferred (RBC News, June 1, 2025), which theoretically allows transfer of ownership with foreign counterparties.

Thirdly, alternative payment infrastructure development, such as BRICS Pay, is being proposed. The concept was originally conceived by the BRICS Business Council in 2018. BRICS Pay is a cross-border payment system initiated by the BRICS nations (Brazil, Russia, India, China, and South Africa), which aims to develop a digital payment platform to facilitate real-time, low-cost, and secure international transactions among BRICS member states, including B2B and P2P transactions. It is a decentralized system, which assumes payments in national currencies with subsequent conversion into local currencies at the destination (Samoilenko and Vasiliev, 2023, p.53) developed by researchers at Saint Petersburg State University.

While there are numerous advantages of the system, such as cost reduction in cross-border transactions, improved efficiency and speed of payments, enhanced transparency and accountability, promotion of financial inclusion, and potential integration with central bank digital currencies (CBDC), previous research also highlights many challenges in its implementation, such as limited scalability outside BRICS members, interoperability problems due to differences in existing financial infrastructure and regulatory regimes of member states, as well as security concerns, particularly regarding cyber risks and data sovereignty (Krause, 2024).

In addition, under the Digital Silk Road, Shanghai Cooperation Organization (SCO) accelerated digital cooperation in recent years across 5G networks, digital payments, cross-border e-commerce and AI applications, which might affect future development of

alternative payment methods.

5. Adaptation Strategies of Russian Companies

Apart from banks, Russian business has also been actively adjusting its payment methods for foreign trade transactions. The original contracts are legally changed to barter transactions, offset contracts, cession, substitution of contracting parties, and novation. While it is difficult to evaluate the actual scale and scope of these transactions, many Russian legal and consulting firms offer services for their implementation, which indicates that they are in demand by Russian business. Some basic propositions of these transactions are outlined below.

Barter is a form of transaction in which goods, services, intellectual property, or the results of other labour are exchanged for equivalent goods, services, intellectual property, or labour outcomes, without the use of money as a medium of exchange (Kovalenko, 2025). Barter transactions are typically low-cost and they are not subject to currency regulations of foreign exchange control laws. The first barter transactions were organised in mid-2022, when the exports of fertilizers from Russia was exchanged for the imports of coffee beans from Brazil (Rovensky, 2024, p.245).

According to the data of the Russian Export Centre, Russian companies identify several categories of goods suitable for barter transactions, including, chemical products, lumber and wood, plastics and polymers, grain products, and construction materials. Approximately 50% of survey companies expect to receive machinery and equipment imports for these goods. In terms of geographic preference for barter trade, Russian companies list China (20%), Türkiye (9%), Kazakhstan (9%), Armenia (8%), Belarus (8%), and India (7%) as major destinations. Even though barter transactions are more complex to implement especially when it comes to the identification of equivalent value, Russia’s Ministry of Economic Development is aiming to establish a legal framework to support the development of an international barter trading platform (RBC News, February 17, 2025).

Offset is a method of clearing mutual obligations from import and export activities without the actual transfer of cash. In such a transaction, debts or claims between parties are settled through reciprocal cancelation (Kovalenko, 2025). Offset transactions in public and private sectors are governed by the following legislation in Russia: federal law No. 44-FZ 'On the Contract System in the Procurement of Goods, Works, and Services for State and Municipal Needs' and federal law No. 223-FZ 'On the Procurement of Goods, Works, and Services by Certain Types of Legal Entities.' Detailed conditions on offset arrangements should be established by the involved parties.

Cession (or the assignment of claims) is a contract in which a creditor (assignor) transfers a claim (i.e., the right to receive payment) against a debtor to a third party. The contract is governed by Article 382 of the Russian Civil Code, which permits such transfers without the debtor's consent, provided that the debtor is notified. For instance, in cross-border transactions, Chinese suppliers may assign their receivables from Russian buyers to a party located in a third country (Kovalenko, 2025).

A substitution of contracting parties refers to a change in the original contracting parties, whereby a third party replaces either side of a contract, such as the seller, buyer, lessor, lessee, or contractor. Such a substitution requires the consent of all parties involved. In this case, non-resident counterparty is usually replaced by a third party from a 'friendly' jurisdiction, which receives payment from the Russian side and subsequently transfers the funds to the original supplier (Kovalenko, 2025).

And finally, novation is a legal contract which replaces an existing obligation with a new one. The original obligation is fully discharged through this process, and a new contractual obligation is established. For example, a Russian company, owing payment to a non-resident party, can provide goods or intellectual property to the non-resident company instead of monetary payment as settlement. In addition, this can be a change of a payment obligation to a loan agreement

with generating interest (Kovalenko, 2025). The basic principles of novation are specified in the Article 414 of the Civil Code of Russia.

6. Conclusion

Managing cross-border payments in unstable geopolitical environment remains a critical task for many Russian banks. In this paper, we analysed the strategic adaptations undertaken by Russian banks in order to manage cross-border payments in conditions of international sanctions.

Our findings show that Russian banks and companies so far have been somewhat resilient in responding to the geopolitical challenges. The initial response by Russian banks was to conduct adjustments in the currency composition of cross-border payments in order to limit dependence on the US dollar and euros by increasing the shares of payments in roubles and national currencies from 'friendly' jurisdictions. Additionally, many Russian banks and companies utilised financial agents and trade intermediaries from 'friendly' jurisdictions. Moreover, the government of Russia mitigated regulations on foreign currency cash transactions in foreign trade.

Later on, the threat of secondary sanctions on Russia's trading partners instigated the wave of 'mirror' and 'mixer' transactions, which were designed to disguise cross-border payments in bilateral trade.

Currently, to further combat the sanctions pressure, Russian banks have been promoting the development of alternative payment methods, such as payments in crypto-assets and BRICS Pay. Simultaneously, Russian businesses have been exploring adaptive strategies such as barter, offset, cession, substitution of contracting parties, novation, and other contractual modifications to maintain foreign trade activities.

Overall, the above-mentioned strategic adaptations of Russian banks have partially helped sustain international payments to date. However, some of these new adaptive mechanisms are complex and time-consuming, and, thus, they have increased transaction costs for both banks and businesses. Developing

less expensive alternatives, such as a new payment infrastructure independent of the Western financial system, will require additional time, even though some of the initiatives have already been started.

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