Bank of Russia

NATIONAL PAYMENT SYSTEM OVERSIGHT RESULTS 2024

Moscow
2025

CONTENTS

An electronic version of this report can be found on the Bank of Russia website under the subsection 'Supervision and Oversight in the National Payment System' of the section 'National Payment System' at http://www.cbr.ru/eng/Psystem/monitoring_p/.

This publication has been prepared by the National Payment System Department.

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FOREWORD

In 2024, the NPS demonstrated stability and continued to evolve.

Russia's payment infrastructure is still one of the most advanced worldwide. All types of payment and funds transfer instruments available in Russia are continuously improved, and they are in high demand among individuals and businesses.

Active development of the national payment infrastructure (the Mir PS and SBP) helps ensure a high quality of payment services and meet households' and businesses' increased demands for modern and convenient means of payment and funds transfer, including real-time instruments.

As of early 2025, 224 credit institutions were connected to SBP. The number and volume of transactions conducted via SBP throughout 2024 were up 1.9 and 2.2 times year-on-year, respectively.

Innovative means of payment and funds transfer are becoming increasingly popular. In 2024, transactions executed with use of instruments other than payment cards accounted for more than 9% of the total amount of cashless payments.

NUMBER AND AMOUNT OF SBP TRANSACTIONS DOUBLED

Payment instruments continued to transform, responding to consumers' needs and taking into account the innovations in the financial market, which further boosted the share of cashless payments in retail turnover; by the end of 2024, it reached 85.8%.

As part of the regulation in the NPS, the legislative authorities adopted and enacted federal laws introducing self-regulation in the market for payment acceptance services rendered to individuals. On 1 May 2024, a statutory ban was imposed on charging fees for funds transfers of up to ₽30 million per month between the same person's accounts opened with different credit institutions. The Bank of Russia continued its efforts to introduce the digital ruble and advance the functions of the digital ruble platform. The authorities continued to develop a legal framework for integrating the newly established NPSPs into the Russian payment market in addition to banks and non-bank credit institutions.

85.8% ↑
CASHLESS PAYMENTS IN RETAIL TURNOVER

This publication presents the results of oversight in the NPS, main development trends in the payment services market, overview of the NPS entities' performance, functioning of PSs and the payment infrastructure, information on innovations and technologies employed by the NPS entities to provide payment services and payment infrastructure services, as well as changes in the NPS regulation, avenues for international cooperation on issues related to NPS oversight, and international and domestic best practices identified over the year.

Dmitry Tulin
First Deputy Governor of the Bank of Russia

COMPOSITION OF RUSSIA'S NATIONAL PAYMENT SYSTEM

As of 1 January 2025*, the NPS entities included:

354 FTOs
29 PSOs
44 PISOs
7 FPOs
2,794 BPAs (subagents)
670 PAs (PAOs)
40 PAPs
208 IESOs
15 FPSPs

↓ **56 EFOs**

↓ **87 BPAs,** engaged in payment aggregator operations

29 PAYMENT SYSTEMS

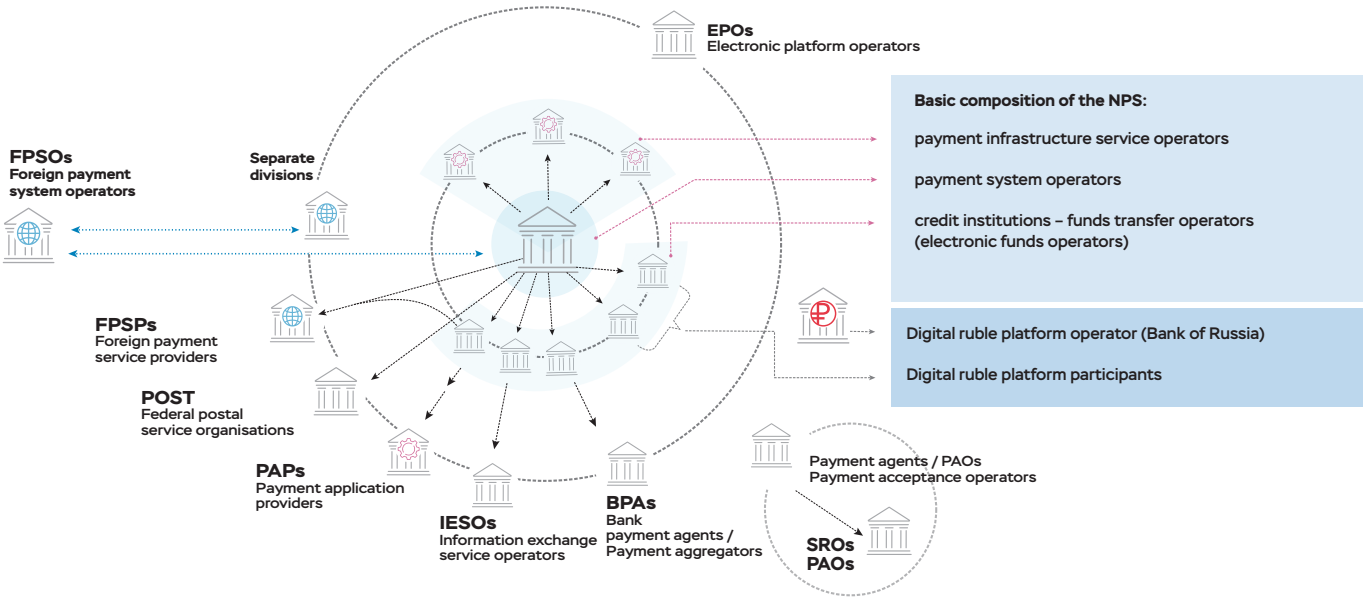
15 PARTICIPANTS OF THE DIGITAL RUBLE PLATFORM

As part of oversight in the NPS, the Bank of Russia monitors all organisations that provide services in the payment market in accordance with Russian law, as well as associations of organisations in the form of infrastructure facilities, e.g. PSs. Since Federal Law No. 161-FZ, dated 27 June 2011, 'On the National Payment System' (the 'Law on the NPS') came into force, the structure of the NPS has expanded considerably (Figure 1).

As of 1 January 2025, the NPS comprised FTOs (including EFOs), BPAs (subagents), PAs, FPOs (in case they provide payment services pursuant to Russian law), PSOs, PISOs, PSs, IESOs, FPSPs, FPSOs, PAPs, EPOs, as well as the operator of the digital ruble platform and its participants.

These changes were driven by the rapid evolution of the payment services market in recent years, the emergence of new participants in the market and new payment services that they provide, as well as the development of the payment market and its adaptation to modern conditions in order to meet clients' new needs for fast, convenient, and modern payment services.

RUSSIA'S NATIONAL PAYMENT SYSTEM (Figure 1)



NPS infrastructure composition (objects of oversight):
payment systems, payment infrastructure, digital ruble platform

* Up-to-date information on the number of respective entities is available via hyperlinks.

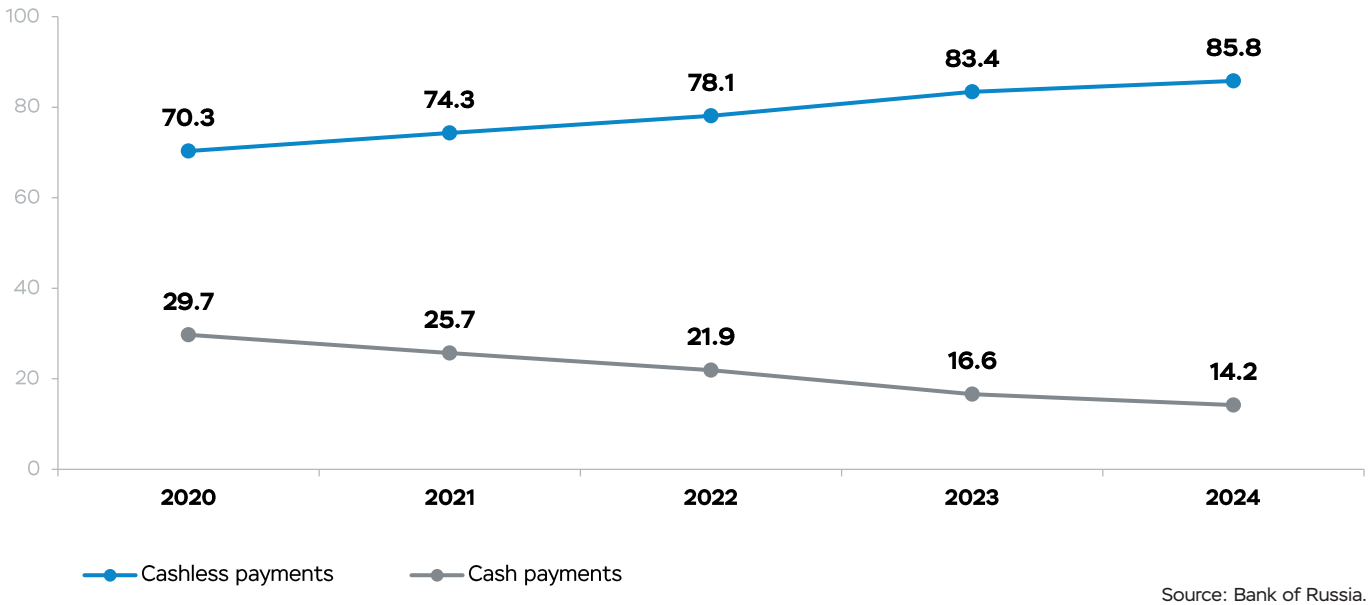
1. DEVELOPMENT OF THE NATIONAL PAYMENT SYSTEM

1.1. MAIN INDICATORS, TRENDS AND CHARACTERISTICS OF THE DEVELOPMENT OF THE PAYMENT SERVICES MARKET

83.4% in 2023
85.8% in 2024
GROWTH OF CASHLESS PAYMENTS IN RETAIL TURNOVER

Russia's payment infrastructure is still one of the most advanced worldwide. All types of payment instruments are in high demand among individuals and businesses, and they are continuously upgraded. The share of cashless payments in retail turnover[1] reached 85.8% by the end of 2024 (Figure 2).

CASH AND CASHLESS PAYMENTS IN RETAIL TURNOVER, % (Figure 2)



Source: Bank of Russia.

Innovative means of payment and funds transfer are becoming increasingly popular. In 2024, payments made by Russian consumers with use of biometrics and QR codes amounted to ₽21.6 billion and ₽4.1 trillion, respectively. In 2024, transactions performed with use of instruments other than payment cards accounted for more than 9% in the total amount of cashless payments.

BRPS

GROWTH IN THE NUMBER OF FUNDS TRANSFERS VIA BRPS
x 1.7 times ↑

The BRPS is a systemically important PS as it processes the major part of funds within the country.

In 2024, the BRPS processed 15.1 billion funds transfers totalling ₽4,573.9 trillion, which is 1.7 times and 29.5% more, respectively, compared to 2023 (Figure 3).

[1] The overall turnover of retail trade and public catering, and the total volume of commercial services rendered to the public.

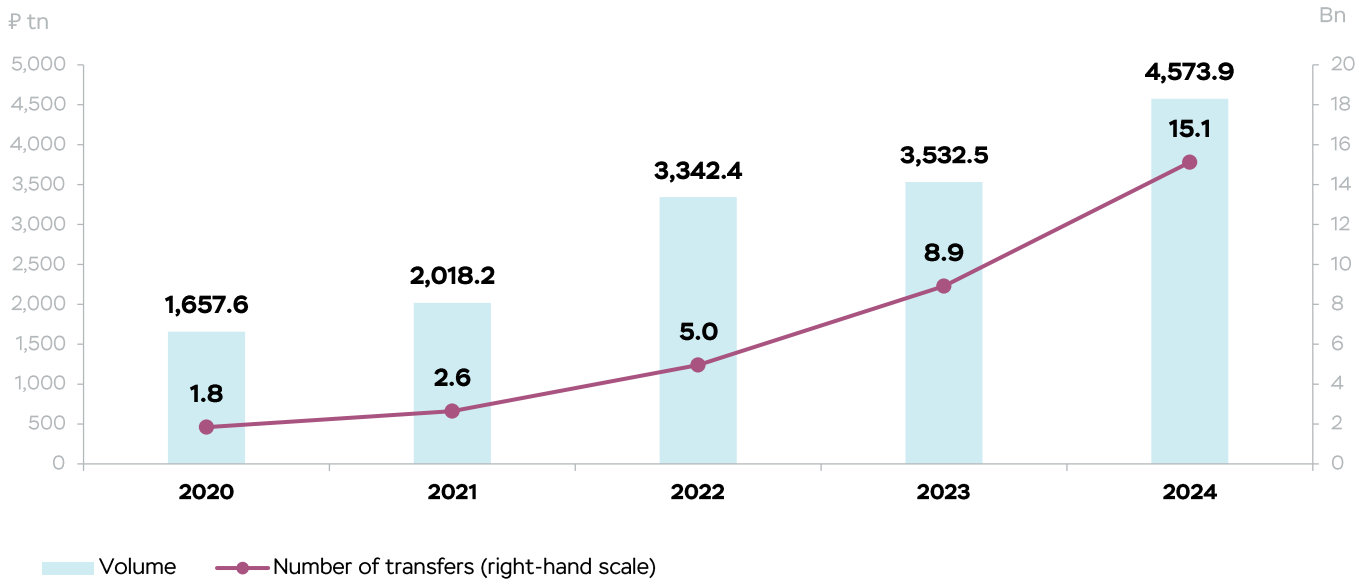
The significant increase in funds transfers via the BRPS was driven by the continuous dynamic growth of the number of transactions conducted through SBP (by a factor of 1.9 compared to 2023).

On average, the BRPS processed 42.6 million funds transfers amounting to ₽15.9 trillion daily. Transfers performed through the urgent funds transfer platform made up the highest percentage (90.3%) of the total amount, while transfers executed via the faster payments service prevailed in the total number of such transactions (88.1%).

GROWTH IN THE AMOUNT OF FUNDS TRANSFERS VIA BRPS

by 1/3 ↑

FUNDS TRANSFERS IN THE BRPS (Figure 3)



Source: Bank of Russia.

From 1 April 2024, the urgent and non-urgent funds transfer services are available in the BRPS not only on business days, but also on Sundays unless these are public holidays pursuant to Russian law. As a result, transfers conducted through services other than SBP have become more accessible to banks, households, and businesses; among other things, this enabled urgent payments on weekends in the course of Federal Treasury operations.

FROM 1 APRIL 2024, URGENT AND NON-URGENT FUNDS TRANSFER SERVICES ARE AVAILABLE IN THE BRPS

6 days a week

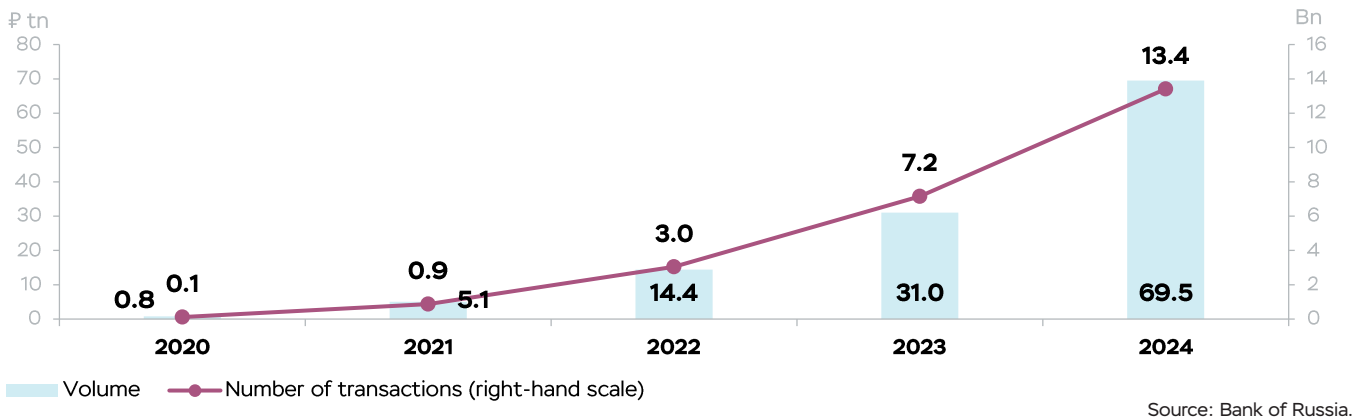
FASTER PAYMENTS SYSTEM (SBP)

The Bank of Russia continued to upgrade and scale up SBP as a convenient payment platform widely used by households, businesses, and government authorities.

As of 1 January 2025, 224 credit institutions and 2.2 million merchants, 1.8 million of which were small and medium-sized enterprises, were connected to SBP.

Since the system is easy to use, it is becoming increasingly popular. There are multiple remote banking channels providing access to SBP. The largest credit institutions are required to provide access to SBP both in their mobile apps and via web interfaces. Clients may, at their own discretion, set up automatic bill payments linked to a bank account and use NFC tags or QR codes.

NUMBER AND VOLUME OF SBP TRANSACTIONS (Figure 4)



Source: Bank of Russia.

Zero fee

FOR ME2ME TRANSACTIONS OF UP TO ₽30 MILLION PER MONTH VIA SBP

NUMBER AND AMOUNT OF PURCHASES AND FUNDS TRANSFERS VIA SBP DOUBLED

Over 2024, SBP processed over 13.4 billion transactions[2] totalling ₽69.5 trillion, which is 1.9 and 2.2 times more, respectively, than the previous year's results (Figure 4).

As of the end of 2024, SBP supported C2C[3] (including C2C pull),[4] C2B,[5] B2C,[6] B2B,[7] and C2G[8] transactions, as well as cross-border C2C funds transfers; cross-border funds transfers via SBP were available in 13 Russian banks and 50 foreign banks.

Over 2024, SBP processed 9.5 billion C2C funds transfers amounting to ₽61.7 trillion, which is 1.8 and 2.2 times more, respectively, compared to the 2023 figures. From May 2024, fees are not charged for individuals' transfers of up to ₽30 million per month between the same person's accounts with different credit institutions. The Bank of Russia also raised the maximum amount of such transfers via SBP (Me2Me transactions)[9] from ₽1 million to ₽30 million.

Payments for purchases via SBP have also become a mainstream and widely used option: in 2024, the number and volume of such transactions increased by a factor of 2.2 year-on-year, reaching 3.7 billion transactions totalling ₽6.5 trillion. This increase was driven not only by low fees for businesses, convenience, and a high speed of SBP payments, but also by the loyalty programme enabling an instant cashback for payments made through SBP.

In 2024, the Bank of Russia continued to advance the functions of SBP, in particular:

- in October 2024, the Bank of Russia introduced a universal QR code to make payments for purchases; and
- the Bank of Russia successfully tested biometric payments, specifically a pilot of biometric SBP payments for metro rides was launched in Kazan."'

2 Including all types of transactions available in SBP to both individuals and LEs.

3 C2C (customer-to-customer) transactions are individuals' payments to individuals initiated by payers.

4 C2C-pull (customer-to-customer pull) transactions are individuals' payments to individuals initiated by payees.

5 C2B (customer-to-business) transactions are individuals' payments to legal entities.

6 B2C (business-to-customer) transactions are legal entities' payments to individuals.

7 B2B (business-to-business) transactions are legal entities' payments to legal entities.

8 C2G (customer-to-government) transactions are individuals' payments to the government.

9 Me2Me (me-to-me) transactions are funds transfers between one person's bank accounts (deposits) opened with different banks participating in SBP, or funds transfers from one person's bank account to a financial platform operator's special account whose beneficiary is this person.

Furthermore, regulatory requirements improving the accessibility of SBP to individuals and businesses became effective in 2024:[10]

- from 1 April 2024,[11] banks participating in SBP must ensure the availability of the B2B payment option for clients by enabling them to remotely accept contractual terms and conditions for such transactions in electronic form (like it was earlier arranged for individuals);
- from 1 October 2024, systemically important credit institutions must provide individuals with an option of performing C2G payments via SBP based on information in the State Information System on State and Municipal Payments;[12]
- from 1 November 2024, fees shall not be charged for individuals' C2G payments; and
- from 1 November 2024, the maximum fees that may be charged by banks for Me2Me funds transfers performed through electronic wallets equal the fees charged for C2C transactions. In particular there is a zero fee for transactions totalling up to ₽100,000 per month; in case, the total volume of transactions per month is larger, the maximum fee is set at 0.5% of the amount exceeding the limit and may not be higher than ₽1,500 per transaction.

Furthermore, from 22 September 2024, the Bank of Russia established zero fees for C2C and Me2Me transactions, regardless of the volume and number of funds transfers.

The Bank of Russia conducts regular monitoring of credit institutions' fee policies with regard to clients' funds transfers via SBP to assess their compliance with the decisions of the Bank of Russia Board of Directors.

PAYMENT CARD MARKET

Payment cards remain the most popular payment instrument among individuals. Throughout 2024, the number of issued payment cards[13] increased by 14.8%. As of 1 January 2025, the overall number of issued payment cards totalled 515.8 million, or 3.4 cards per individual.

3.4 cards
PER INDIVIDUAL

Over 2024, payment card transactions conducted in Russia numbered 76.1 billion, amounting to ₽168.2 trillion (as compared to 2023, the number of transactions remained nearly the same, while their volume edged down by 2.0%). Cashless transactions[14] made up the highest percentage, with their number and volume accounting for 97.6% and 77.7% of all payment card transactions, respectively. As to the composition of payment card transactions, payments for goods and services accounted for 84.8% and 36.2% of the total number and volume of card transactions, respectively, while funds transfers between card holders made up 11.9% and 38.2%, respectively.

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[10] Bank of Russia Regulation No. 732-P, dated 24 September 2020, 'On the Bank of Russia Payment System'.

[11] From 1 January 2024, or nine months after a credit institution connects to the Mir PS, or nine months after a credit institution obtains a universal banking licence.

[12] The State Information System on State and Municipal Payments as established by Article 213 of Federal Law No. 210-FZ, dated 27 July 2010, 'On Organising the Provision of State and Municipal Services'.

[13] Including payment cards issued by credit institutions and the Bank of Russia.

[14] Payments for goods and services, customs payments, mandatory payments to the government, funds transfers to individuals, and other cashless transactions (including transfers for charitable purposes).

MIR PS

The Mir PS is a systemically important PS. The number of Mir payment cards issued in 2024 grew by a factor of 1.4 year-on-year, and reached 400.6 million as of 1 January 2025.

Transactions made with Mir payment cards accounted for two-thirds of all card transactions and amounted to ₽105.9 trillion. These were mostly payments for goods and services, which accounted for 86 out of 100 transactions. The amount of purchases made using Mir cards exceeded ₽42 trillion.

Mir cards offer a wide range of options, including a large number of non-financial services. Social and transport apps based on the Mir PS were actively developed throughout 2024. All constituent entities (i.e. regions) of the Russian Federation have already enabled Mir card payments for public land transport, and seven cities have also enabled such payments for metro rides. In addition, 61 constituent entities of the Russian Federation have launched NSPK JSC's platform in public transport facilities that enable cashless payments.[15]

The Bank of Russia, together with NSPK JSC and DIA.RF, implemented the project for enabling direct payments of deposit insurance compensations to Mir cards. Furthermore, the Mir PS scaled up the mechanism of direct social payments to Mir cards and the scheme for purchasing socially important goods and services using electronic certificates issued to individuals that receive government benefits.

In 2024, the number of cards registered in the Mir PS's cashback loyalty programme exceeded 200 million, which is 70 million more year-on-year. Thus, nearly every second Mir payment card is registered in the loyalty programme.

PAYMENT INFRASTRUCTURE

Alongside the development of remote digital channels for rendering payment services, providers secured their accessibility through a wide network of devices all over the Russian Federation.

As of 1 January 2025, this network comprised 137,100 ATMs and 4.9 million POS terminals[16] of credit institutions (as compared to 2023, the number of ATMs decreased by 4.7%, while the number of credit institutions' POS terminals went up by 9.5%). The infrastructure of BPAs (subagents) included 326,100 cashpoints and cash terminals, which is 0.8% more than in 2023.

Furthermore, payment services (including postal transfers) were provided by 41,100 FPOs,[17] which is 2.5% more than in 2023.

AS OF 1 JANUARY 2025 PAYMENT SERVICES INFRASTRUCTURE INCLUDED:

137.1 ths
ATMs

4.9 mln
CREDIT INSTITUTIONS' POS TERMINALS

326.1 ths
BPAs' CASH REGISTERS AND CASH TERMINALS

[15] NSPK JSC's Transport Processing Platform.

[16] POS (point-of-sale) terminals are automatic devices enabling payment card holders to conduct transactions to pay for goods and services with the engagement of a POS authorised representative, as well as cashless payment terminals (automatic devices enabling payment card holders to conduct cashless card transactions without the engagement of an authorised representative of a credit institution or a POS; such terminals are not designed to withdraw/accept cash).

[17] Taking into account the data for 2024 obtained from JSC Russian Post, FSUE Post of Crimea, SUE of the Donetsk People's Republic POST OF DONBASS, SUE of the Lugansk People's Republic 'Post of the Lugansk People's Republic', SUE Post of Kherson, SUE Post of Tavria, and SUE BaikonurSvyazInform (as of 1 January 2025).

DIGITAL RUBLE PLATFORM

The Bank of Russia continued its work to introduce the digital ruble and advance the functions of the digital ruble platform.

In 2024, the Bank of Russia increased the number of participants in the piloting of the digital ruble platform. The range of functions expanded: now the platform enables payments based on static and dynamic QR codes, as well as B2B transactions. More than 50,000 transactions were conducted on the platform. In addition, certain budgetary transactions were carried out in a test environment.

1.2. KEY CHANGES IN THE REGULATION OF THE NATIONAL PAYMENT SYSTEM

In 2024, amendments were introduced[18] to Federal Law No. 103-FZ[19] and certain laws of the Russian Federation, establishing self-regulation in the market for payment acceptance services rendered to individuals.

As part of the regulation of PAOs and financial market SROs acting as umbrella organisations for PAOs, the Bank of Russia established requirements for measures (including the amount of fines) applied by SROs to their members,[20] introduced the list of mandatory basic standards to be developed by financial market SROs acting as umbrella organisations for PAOs, set requirements for the content of these standards,[21] and clarified the grounds for excluding information on PAOs from the PAO Register.[22]

The authorities continued to develop a legal framework for the integration of newly established NPSPs into the Russian payment market in addition to banks and non-bank credit institutions. On 24 September 2024, the State Duma adopted the draft laws on introducing NPSPs in the first reading.[23] NPSPs will enable non-financial organisations and non-bank financial institutions to provide payment services on their own along with performing their core activities. NPSPs are expected to render such services as initiation of funds transfers, aggregation of funds transfers, and/or processing of e-funds transfers.

To reduce the financial burden on the groups of persons who need social support, from 1 July 2024, the authorities enacted amendments to a number of federal laws,[24] which prohibit any fees for such persons' payments for housing and utility services.

Furthermore, amendments[25] to the Law on the NPS harmonised the Bank of Russia's powers with the powers envisaged by Article 82.3 of Federal Law No. 86-FZ[26] and, among other things, stipulated the Bank of Russia's powers to set the list, formats and description of the structure and details of electronic messages containing funds transfer orders (the forms of which are determined by Bank of Russia regulations or PS rules), as part of the album of electronic messages that would be published on the Bank of Russia website.

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[18] Federal Law No. 298-FZ, dated 10 July 2023, "On Amending the Federal Law 'On the Acceptance of Payments from Individuals by Payment Agents' and Certain Laws of the Russian Federation'".

[19] Federal Law No. 103-FZ, dated 3 June 2009, 'On the Acceptance of Payments from Individuals by Payment Agents'.

[20] Bank of Russia Ordinance No. 6772-U, dated 26 June 2024, 'On the Requirements for Measures (Including the Amounts of Fines) Applied by a Financial Market Self-regulatory Organisation of Payment Acceptance Operators to its Members'.

[21] Bank of Russia Ordinance No. 6861-U, dated 25 September 2024, 'On the List of Mandatory Basic Standards to be Developed by Financial Market Self-regulatory Organisations Acting as Umbrella Organisations for Payment Acceptance Operators and the Requirements for Their Content, as well as on the Scope of Payment Acceptance Operators' Activities in the Financial Market to be Standardised'.

[22] Bank of Russia Ordinance No. 6844-U, dated 9 September 2024, 'On Amending Bank of Russia Ordinance No. 6654-U, Dated 9 January 2024' due to the entry into force of Federal Law No. 276-FZ, dated 8 August 2024, "On Amending the Federal Law 'On the Acceptance of Payments from Individuals by Payment Agents'".

[23] Draft Federal Law No. 673197-8 "On Amending the Federal Law 'On the National Payment System' (to Introduce Non-bank Payment Service Providers)'" and Draft Federal Law No. 673262-8 'On Amending Certain Laws of the Russian Federation (in Connection with Introducing the concept of Non-bank Payment Service Providers)'.

[24] Housing Code of the Russian Federation; Federal Law No. 395-1, dated 2 December 1990, 'On Banks and Banking Activities'; Federal Law No. 161-FZ, dated 27 June 2011, 'On the National Payment System'; Federal Law No. 103-FZ, dated 3 June 2009, 'On the Acceptance of Payments from Individuals by Payment Agents'; and Federal Law No. 106-FZ, dated 19 December 2023, 'On Amending Article 155 of the Housing Code of the Russian Federation and Certain Laws of the Russian Federation'.

[25] Federal Law No. 412-FZ, dated 23 November 2024, "On Amending Articles 8 and 20 of the Federal Law 'On the National Payment System'".

[26] Federal Law No. 86-FZ, dated 10 July 2002, 'On the Central Bank of the Russian Federation (Bank of Russia)'.

In addition, lawmakers adopted the following federal laws regulating relations established in the NPS:

- Federal Law No. 223-FZ[27] stipulating the exceptions in Russian laws to be applied for the purposes of implementing experimental legal regimes in the area of digital innovations, including in the course of performing digital currency transactions; and
- Federal Law No. 275-FZ[28] regulating operations performed by foreign banks in the Russian Federation through their branches.

To update the legal regulation of the digital ruble, including in connection with the provisions of certain federal laws[29] that entered into force on 1 January 2025, the Bank of Russia issued regulations[30] to expand the functions of the digital ruble platform.

In 2024, the Bank of Russia amended[31] the procedure for classifying credit institutions as important in the payment services market, in particular:

- established new criteria for recognising credit institutions as important in the payment services market, namely the proportion of funds transfers made by a credit institution using the BRPS's faster payments service and the fact of inclusion in the list of systemically important credit institutions;
- updated the reporting forms used by the Bank of Russia to make a decision on recognising credit institutions as important in the payment services market; and
- stipulated the procedure for the Bank of Russia to reassess the compliance of a credit institution with the criteria for recognising credit institutions as important in the payment services market (if required).

To enhance oversight in the NPS, the Bank of Russia issued a regulation[32] specifying the procedure for the Bank of Russia to:

- monitor the activities of NPS entities and/or functioning of overseen entities; and
- assess and initiate changes in NPS entities' activities and/or overseen entities' functioning.

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27 Federal Law No. 223-FZ, dated 8 August 2024, 'On Amending Certain Laws of the Russian Federation'.

28 Federal Law No. 275-FZ, dated 8 August 2024, "On Amending the Federal Law 'On Banks and Banking Activities' and Certain Laws of the Russian Federation".

29 Federal Law No. 229-FZ, dated 2 October 2007, 'On Enforcement Proceedings'; Federal Law No. 161-FZ, dated 27 June 2011, 'On the National Payment System' as amended by Federal Law No. 340-FZ, dated 24 July 2023, 'On Amending Certain Laws of the Russian Federation'; and Federal Law No. 610-FZ, dated 19 December 2023, 'On Amending Parts One and Two of the Tax Code of the Russian Federation and Certain Laws of the Russian Federation on Taxes and Levies'.

30 Bank of Russia Ordinance No. 6804-U, dated 12 July 2024, "On Amending Bank of Russia Regulation No. 820-P, dated 3 August 2023, 'On the Digital Ruble Platform'"; Bank of Russia Ordinance No. 6814-U, dated 31 July 2024, 'On the Procedure for a Customs Authority to Send Certain Documents of the Customs Authority in Electronic Form to the Digital Ruble Platform Operator, the Procedure for the Digital Ruble Platform Operator to Send a Message Containing Information on the Digital Ruble Balance in the Digital Ruble Account of a Payer (a Person Who is Jointly and Severally Liable) to the Customs Authority, and on the Date When the Digital Ruble Platform Operator Shall Receive Certain Decisions of the Customs Authority'; Bank of Russia Ordinance No. 6898-U, dated 7 October 2024, 'On the Procedure for Managing the Risks and Supporting the Continuity of the Operation of the Digital Ruble Platform'; Bank of Russia Ordinance No. 6907-U, dated 22 October 2024, 'On the Procedure for a Tax Authority to Send Certain Documents of the Tax Authority in Electronic Form to the Digital Ruble Platform Operator, the Procedure for the Digital Ruble Platform Operator to Send an Electronic Message to the Tax Authority Containing Information on the Digital Ruble Balance in the Digital Ruble Account Where Transactions Have Been Suspended, and on the Procedure for Stipulating the Date and Time When the Digital Ruble Platform Operator Shall Receive the Decision in Electronic Form on the Suspension of a Corporate Taxpayer's Transactions on the Digital Ruble Account'.

31 Bank of Russia Ordinance No. 3439-U, dated 6 November, 2014, 'On the Procedure for the Bank of Russia to Recognise Credit Institutions as Important in the Payment Services Market' as amended by Bank of Russia Ordinance No. 6726-U, dated 14 May 2024, 'On Amending Clause 1 of Bank of Russia Ordinance No. 3439-U, Dated 6 November 2014' and Bank of Russia Ordinance No. 6825-U, dated 16 August 2024, 'On Amending Bank of Russia Ordinance No. 3439-U, Dated 6 November 2014'.

32 Bank of Russia Ordinance No. 6950-U, dated 22 November 2024, 'On the Procedure for Overseeing the National Payment System' replacing Bank of Russia Regulation No. 760-P, dated 25 June 2021.

2. RESULTS OF OVERSIGHT IN THE NATIONAL PAYMENT SYSTEM

2.1. NPS ENTITIES

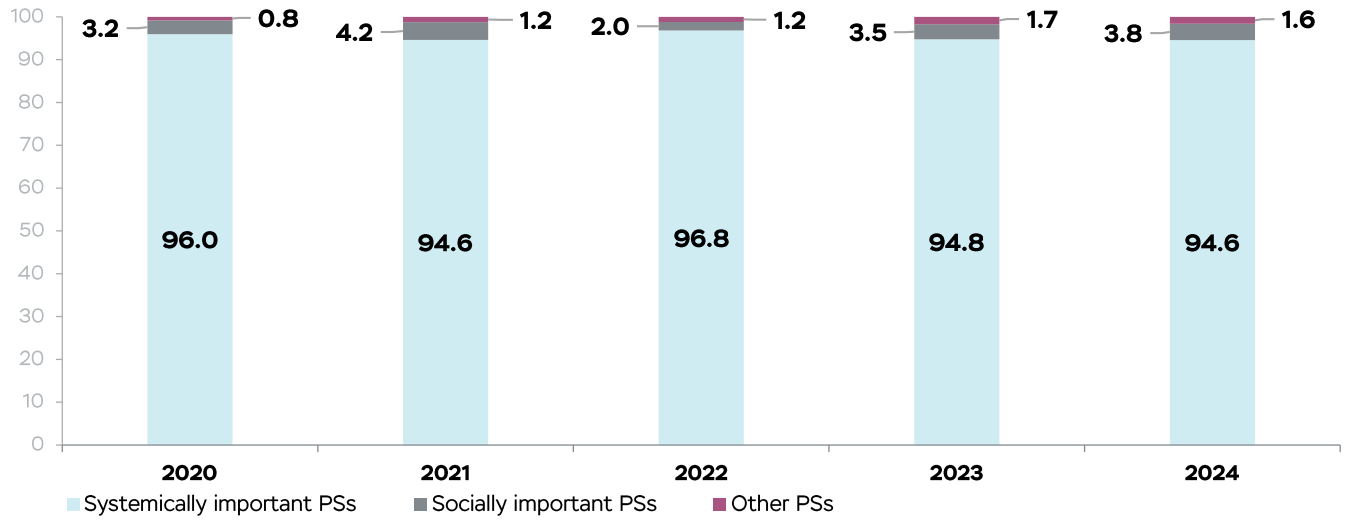
2.1.1. IMPORTANT PAYMENT SYSTEMS

SYSTEMIC AND SOCIAL IMPORTANCE OF PAYMENT SYSTEMS

>98% IN THE TOTAL AMOUNT OF FUNDS TRANSFERS VIA PSs ARE PROCESSED BY IMPORTANT PSs

Stable operation of systemically and socially important PSs is crucial for the entire economy and society. Important PSs process over 98% of all funds transfers made via PSs (Figure 5); therefore, risk management and continuity management mechanisms of these PSs are subject to stricter requirements.

FUNDS TRANSFERS BY IMPORTANT PSs, % (Figure 5)



Source: Bank of Russia.

The analysis of the results of the quarterly and annual monitoring[33] carried out by the Bank of Russia to assess PSs' compliance with the systemic and social importance criteria stipulated by Article 22 of the Law on the NPS and with the values of these criteria specified by Bank of Russia Ordinance No. 4443-U[34] showed that there was no need to revise the list of important PSs in 2024.

In 2024, there were two systemically important PSs (the BRPS and the NSD PS) and three socially important PSs (the Sberbank PS, the KoronaPay PS, and the CONTACT PS[35]) operating in the Russian Federation.

The Bank of Russia confirmed that the systemic and social importance criteria set for PSs and the values of these criteria remained relevant and did not require any changes.

[33] Based on PSOs' and credit institutions' reporting on various types of funds transfers (funds transfers with use of payment cards, funds transfers without opening a bank account (including e-money transfers), and funds transfers across bank accounts of individuals and LEs other than credit institutions).

[34] Bank of Russia Ordinance No. 4443-U, dated 3 July 2017, 'On Setting Criteria for Qualifying Payment Systems as Important'.

[35] The CONTACT PS was excluded from the PSO Register on 22 February 2024.

NATIONAL IMPORTANCE OF PAYMENT SYSTEMS

The criteria for a PS to be recognised as nationally important are as follows: direct or indirect control over a PSO and PISO, except for the PS's settlement centre, exercised by the Russian Federation, the Bank of Russia and Russian nationals; and use of information technologies that meet the requirements stipulated by the Bank of Russia upon agreement with the Government of the Russian Federation.[36]

As of 1 January 2025, 11 out of 14 nationally important PSs were recognised as nationally important by the Bank of Russia, and three of these 14 PSs were classified as nationally important pursuant to Part 14 of Article 22 of the Law on the NPS.

2.1.2. CREDIT INSTITUTIONS RECOGNISED BY THE BANK OF RUSSIA AS IMPORTANT IN THE PAYMENT SERVICES MARKET

Annually, the Bank of Russia determines whether credit institutions comply with the Bank of Russia criteria[37] of importance in the payment services market[38] based on the reporting submitted by credit institutions to the Bank of Russia and the list of systemically important credit institutions published in the Bank of Russia Bulletin and on the Bank of Russia website in the Banking Sector section.

Credit institutions recognised by the Bank of Russia as important in the payment services market are included in the Register of Important Credit Institutions (the ICI Register), which is published in the Bank of Russia Bulletin and on the Bank of Russia website in the National Payment System section.

Based on the analysis of the reporting for 2024 and the list of systemically important credit institutions, 18 credit institutions were included in the ICI Register published on 28 March 2025. As compared with the previous ICI Register published on 9 September 2024, one new credit institution was included in the ICI Register, six credit institutions that had been previously recognised as important in the payment services market were excluded from the ICI Register, and two of the latter merged with other credit institutions.

The ICI Register predominantly includes credit institutions with a wide network of branches and an advanced payment infrastructure in the Russian FDs.

Pursuant to Article 30.5, Part 2 of the Law on the NPS, all credit institutions included in the ICI Register are Mir PS participants.

18 **CREDIT INSTITUTIONS WERE RECOGNISED BY THE BANK OF RUSSIA AS IMPORTANT IN THE PAYMENT SERVICES MARKET**

[36] Bank of Russia Ordinance No. 3342-U, dated 25 July 2014, 'On the Requirements for Information Technologies Used by Payment Infrastructure Service Operators for Payment Systems to be Recognised as Nationally Important'.

[37] Established by Bank of Russia Ordinance No. 3439-U, dated 6 November 2014, 'On the Procedure for the Bank of Russia to Recognise Credit Institutions as Important in the Payment Services Market' (as amended).

[38] No later than on 1 April of the year following the reporting calendar year, and in case of any changes in credit institutions' reporting influencing the composition of credit institutions included in the Register of Important Credit Institutions.

2.2. MONITORING OF NPS ENTITIES AND THEIR PAYMENT SERVICES

2.2.1. MONITORING OF BANK PAYMENT AGENTS AND PAYMENT ACCEPTANCE OPERATORS

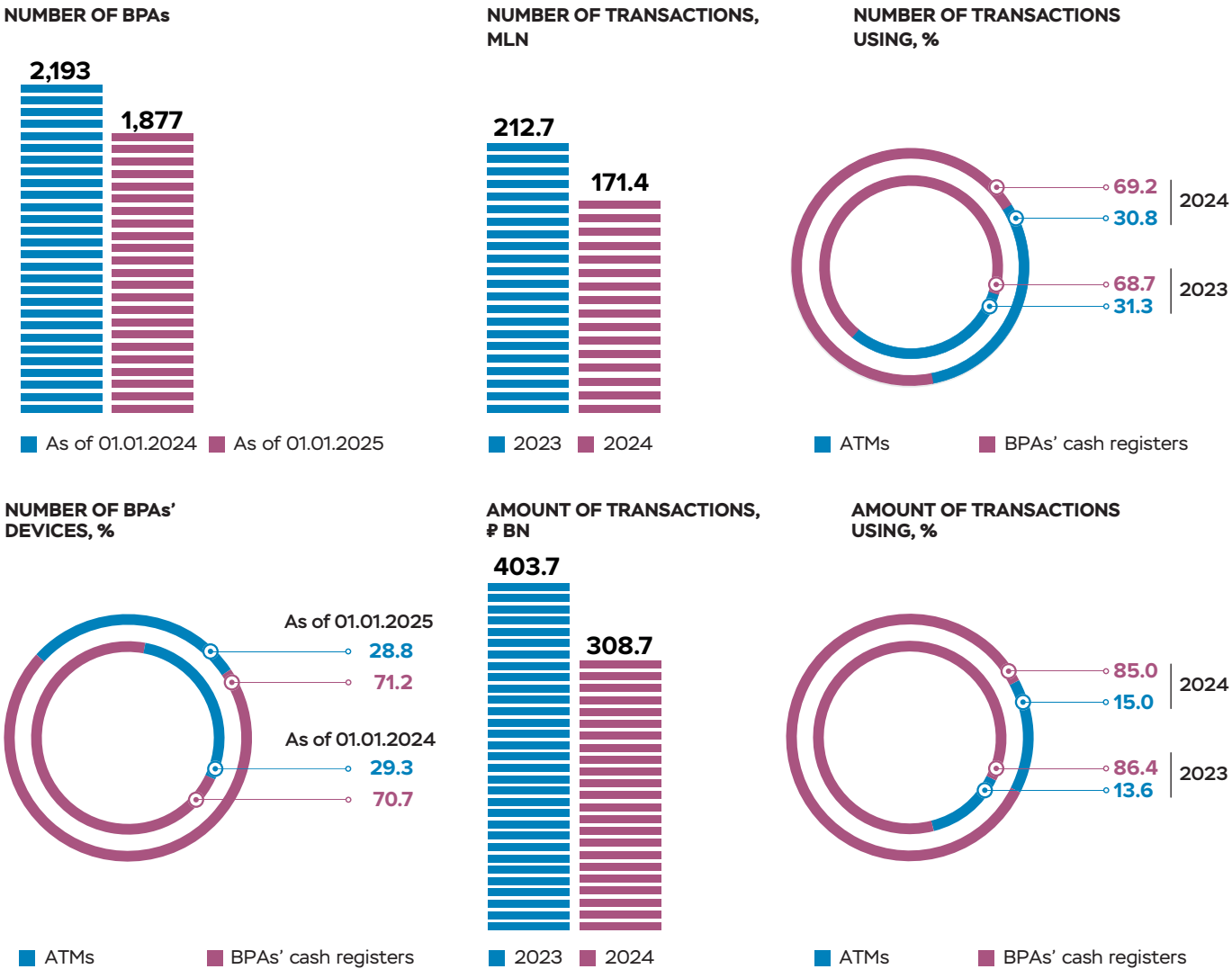
The Bank of Russia carries out annual monitoring of activities performed by BPAs engaged by FTOs in accordance with Article 14 of the Law on the NPS, and activities of PAOs that provide payment acceptance services pursuant to the requirements of Federal Law No. 103-FZ.

BANK PAYMENT AGENTS

As of 1 January 2025, BPAs numbered 1,877[39] (vs 2,193 as of 1 January 2024). Over 2024, BPAs conducted 171.4 million transactions totalling ₽308.7 billion[40] (Figure 6).

Compared to 2023, the number and volume of transactions decreased by 19.4% and 23.5%, respectively, which was associated with the development of credit institutions' remote banking services. A transaction's average amount declined by as little as ₽97 from ₽1,898 in 2023 to ₽1,801 in 2024.

BPAs' TRANSACTIONS (Figure 6)



Source: Bank of Russia.

[39] Based on data from Reporting Form 0409260 'Information on Points of Payment Services Provided by Credit Institutions and Bank Payment Agents (Subagents)'.

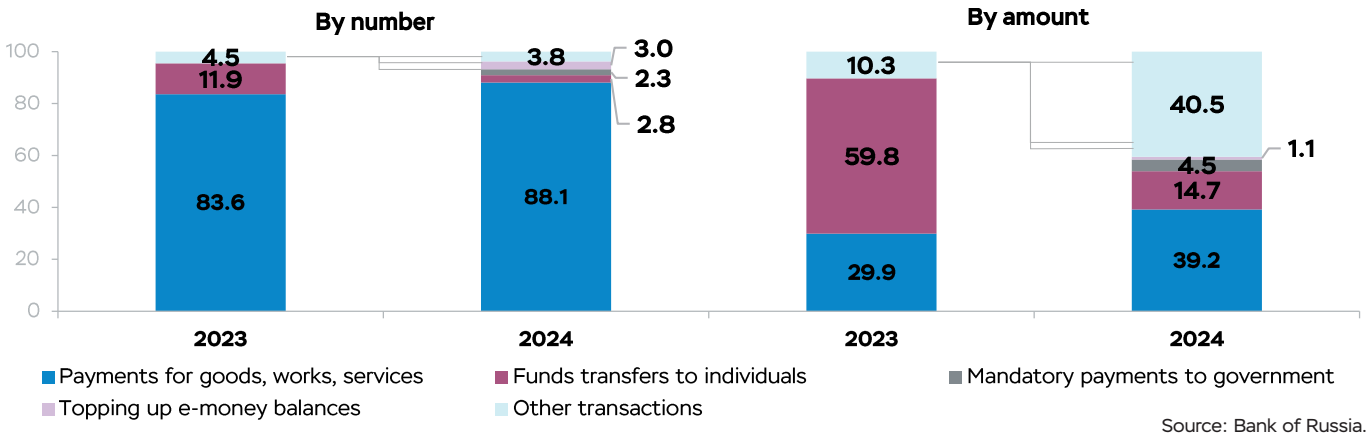
[40] Including subagents' transactions, based on data from Reporting Form 0409265 'Information on Accounts of a Credit Institution's Clients and Funds Transfers Conducted by the Credit Institution' (before 2024 – Reporting Form 0409256 'Information on Operations of Bank Payment Agents (Subagents)').

Compared to 2023, the number and volume of transactions decreased by 19.4% and 23.5%, respectively, which was associated with the development of credit institutions' remote banking services. A transaction's average amount declined by as little as ₽97 from ₽1,898 in 2023 to ₽1,801 in 2024.

The structure of transactions conducted by BPAs in 2024 had the following features:

- in terms of the volume, payments for goods (works and services) and other transactions made up the highest percentages, 39.2% and 40.5%, respectively, while the proportion of funds transfers to individuals decreased to 14.7%;
- in terms of the number, payments for goods (works and services) conducted by BPAs still made up the largest percentage, namely 88.1% (Figure 7).

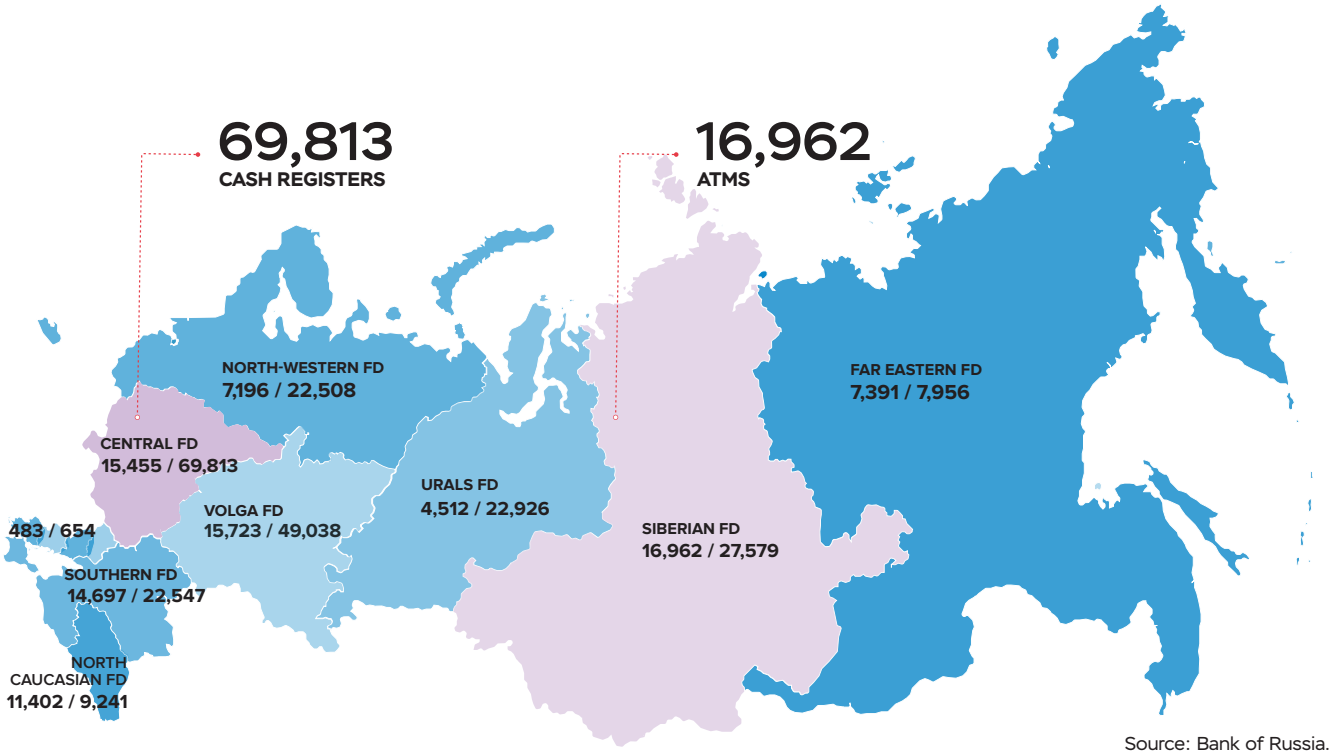
STRUCTURE OF BPAs' TRANSACTIONS, % (Figure 7)



Source: Bank of Russia.

BPAs carry out operations in all FDs of the Russian Federation and in the territories of the Russian Federation outside the FDs, with the Central FD accounting for the largest number of BPAs' devices, and the Far Eastern FD and the territories of Russia outside the FDs accounting for the smallest number (Figure 8). Cashpoints prevail in BPAs' infrastructure.

NUMBER OF BPAs' DEVICES (ATMs / CASH REGISTERS) AVAILABLE IN FEDERAL DISTRICTS' INFRASTRUCTURE (Figure 8)



Source: Bank of Russia.

PAYMENT AGGREGATORS

In 2024, the Bank of Russia monitored credit institutions to assess the existing practices of monitoring the activities of BPAs that are engaged by credit institutions and act as payment aggregators.

Credit institutions keep records to accumulate and analyse, among other things, information about payment aggregators' failures to comply with the laws and Bank of Russia regulations on the NPS and elimination of these violations in order to prevent risks of such failures in the future.

Credit institutions' outsourcing agreements oblige payment aggregators to promptly submit information and source documents, as requested by a credit institution, assist it in conducting inspections, and promptly eliminate revealed violations. These agreements also stipulate the conditions where a credit institution may unilaterally refuse to fulfil the agreement with an outsourced payment aggregator.

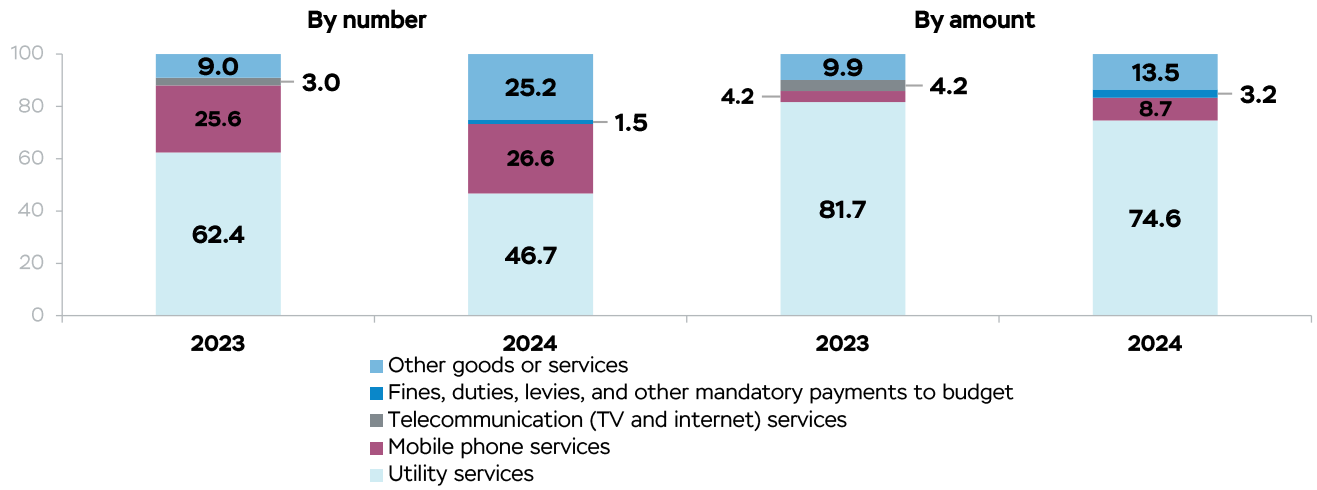
Credit institutions' internal documents establish the procedure for monitoring the activities of payment aggregators, including current, scheduled and unscheduled monitoring, and the organisational structure of a credit institution responsible for inspecting payment aggregators and making decisions following the inspections.

PAYMENT AGENTS ACTING AS PAYMENT ACCEPTANCE OPERATORS

According to the amendments to Federal Law No. 103-FZ introduced by Federal Law No. 298-FZ, dated 10 July 2023,[41] starting from 1 October 2024, PAOs are allowed to conduct their operations on the condition that the Bank of Russia has included them into the PAO Register.[42]

As of 1 January 2025, PAOs numbered 670.

STRUCTURE OF INDIVIDUALS' PAYMENTS ACCEPTED BY PAOs, % (Figure 9)



Source: Bank of Russia.

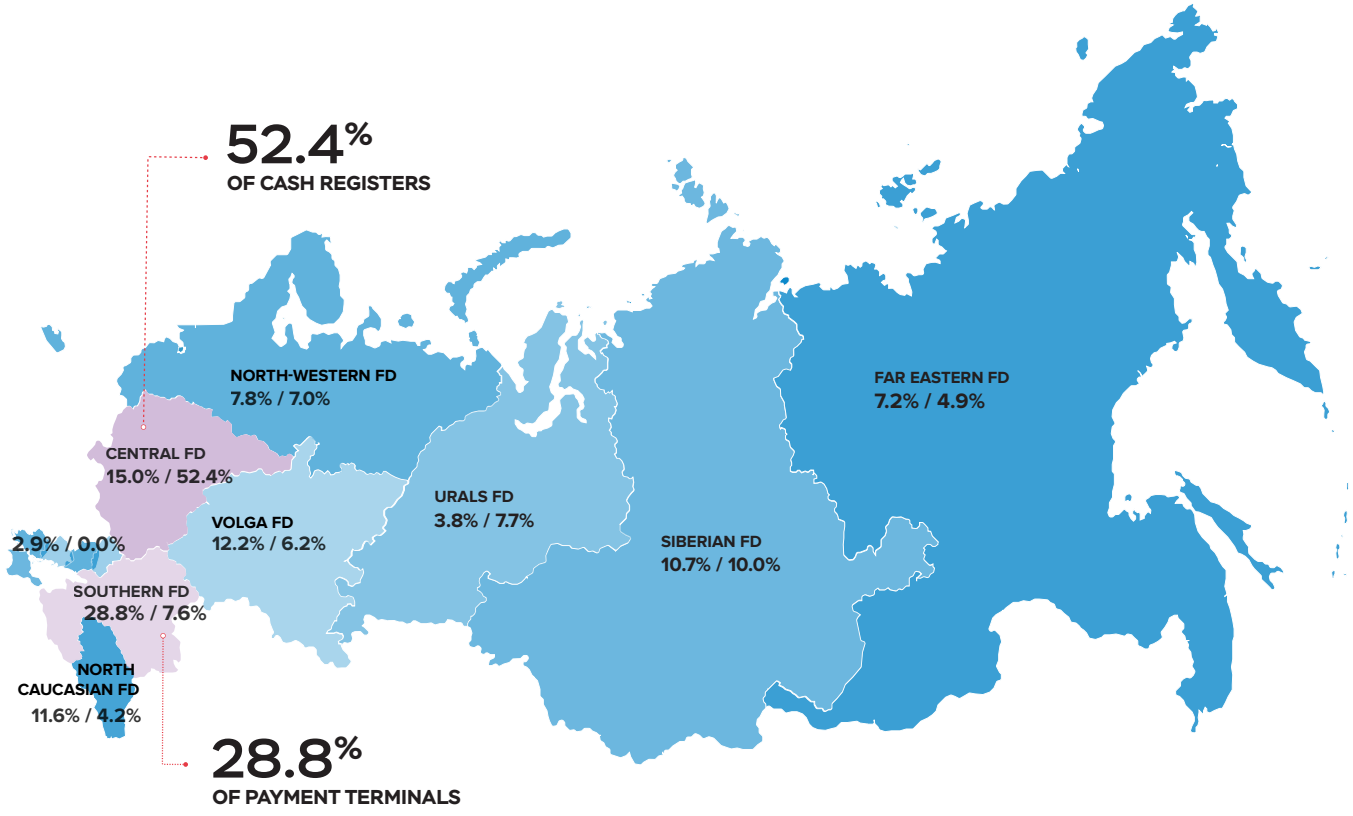
[41] Federal Law No. 298-FZ, dated 10 July 2023, "On Amending the Federal Law 'On the Acceptance of Payments from Individuals by Payment Agents' and Certain Laws of the Russian Federation" (Federal Law No. 103-FZ, dated 3 June 2009).

[42] Maintained by the Bank of Russia in accordance with Bank of Russia Ordinance No. 6864-U, dated 26 September 2024, "On Maintenance by the Bank of Russia of the Register of Payment Acceptance Operators and on Assessment by the Bank of Russia of the Compliance of the Persons Listed in Part 1 of Article 3.2 of Federal Law No. 103-FZ, Dated 3 June 2009, 'On the Acceptance of Payments from Individuals by Payment Agents' with the Qualification and Business Reputation Requirements and of the Persons Listed in Part 3 of Article 3.3 of Federal Law No. 103-FZ, Dated 3 June 2009, 'On the Acceptance of Payments from Individuals by Payment Agents' with the Requirements Stipulated by Part 1 of Article 3.3 of the Said Federal Law or the Requirement Stipulated by Part 1.1 of Article 3.3 of the Said Federal Law".

The Bank of Russia carried out a survey about quantitative and qualitative indicators of PAOs' operations: 174 PAOs, which had completed the registration of their operations, submitted their questionnaires. The structure of payments accepted by PAOs in 2024 was still dominated by payments for utility services, which accounted for 46.7% of the total number and 74.6% of the total volume (Figure 9).

All Russian FDs have PAO infrastructures, with the Central and Southern FDs accounting for the largest number of PAOs' devices, and the Urals FD and the territories of Russia outside the FDs account for the smallest number (Figure 10). As to the territories of the Russian Federation outside the FDs, their PAO payment infrastructures include only payment terminals.

NUMBER OF PAOs' DEVICES (PAYMENT TERMINALS / CASH REGISTERS) AVAILABLE IN FEDERAL DISTRICTS' INFRASTRUCTURE, % (Figure 10)



Source: Bank of Russia.

Over 2024, individuals continued to demonstrate high demand for BPAs' and PAOs' services to make mandatory payments, e.g. for utility and communications services. As a result, these entities retain their positions in the payment services market. BPAs and PAOs attribute the development of their operations to the increased number of POS and payment services, as well as the implementation of innovative solutions.

2.2.2. MONITORING OF PAYMENT SERVICES PROVIDED BY FEDERAL POSTAL SERVICE ORGANISATIONS, INCLUDING IN THE CAPACITY OF A BANK PAYMENT AGENT OR A PAYMENT ACCEPTANCE OPERATOR

In 2024, the monitoring of the NPS in terms of the indicators of FPOs' operations encompassed new FPOs. Alongside JSC Russian Post and FSUE Post of Crimea, the survey covered five new FPOs, in particular SUE of the Donetsk People's Republic POST OF DONBASS, SUE of the Lugansk People's Republic 'Post of the Lugansk People's Republic', SUE Post of Kherson, SUE Post of Tavria, and SUE BaikonurSvyazInform.

Payment services rendered by FPOs (including postal transfers and payments accepted in the capacity of a BPA or a PAO) numbered 282 million transactions totalling ₽332 billion. JSC Russian Post remained the leader among FPOs, accounting for 90% of the number and 93% of the volume of all transactions conducted as part of providing payment services, followed by FSUE Post of Crimea whose number and volume of transactions were comparable with those of SUE of the Donetsk People's Republic POST OF DONBASS and SUE of the Lugansk People's Republic.

FPOs attribute the development of their operations to the introduction of modern technologies that improve the accessibility and quality of services offered in rural localities and hard-to-reach areas where households have a limited choice of financial institutions.

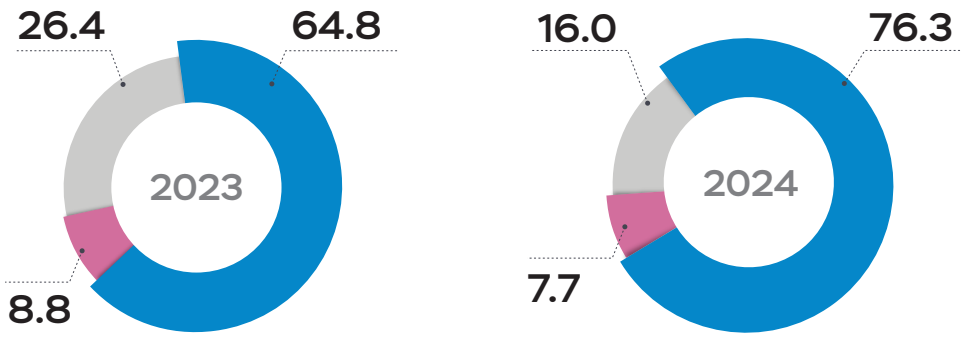
JSC RUSSIAN POST

In 2024, over 97% of all postal transfers in terms of both their number and volume were still conducted within the Russian Federation (19.5 million transfers amounting to ₽83.1 billion, which is 18% less for both indicators compared to 2023), of which more than 6 million transfers totalling over ₽24 billion were made using payment cards (which is over 40% more than in 2023).

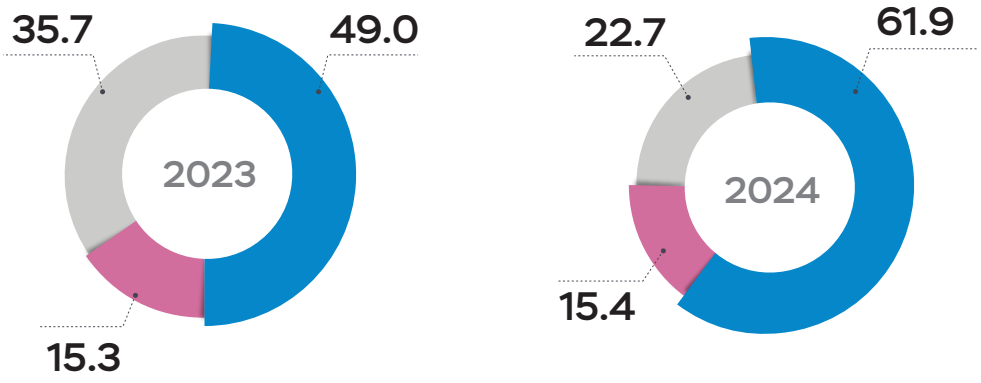
As before, C2B transactions prevailed in the structure of postal transfers within Russia, with their share in the total number and volume increasing by more than 10 percentage points (Figure 11).

STRUCTURE OF POSTAL TRANSFERS INSIDE RUSSIA, % (Figure 11)

BY NUMBER



BY VOLUME



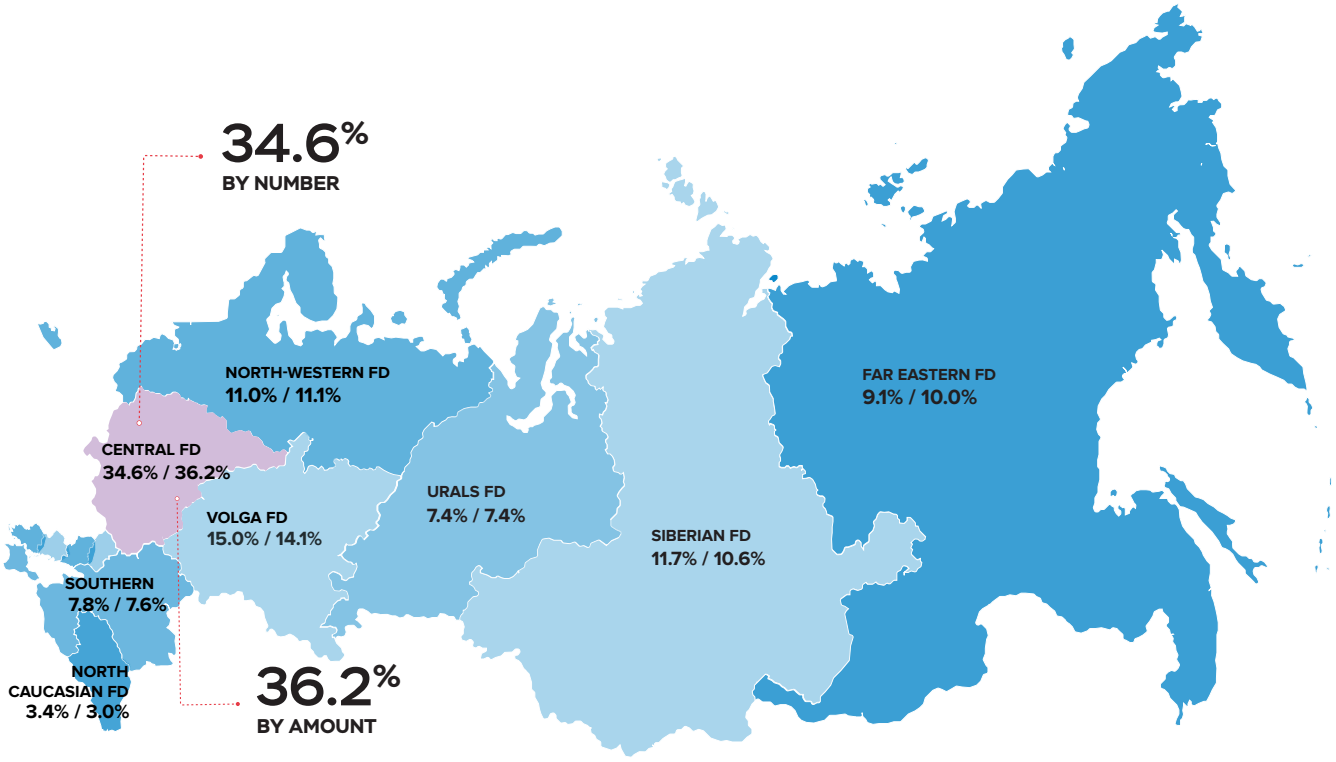
B2C C2C C2B

Source: Bank of Russia.

The regional distribution of postal transfers conducted in 2024 remained the same as in 2023 (Figure 12):

- the Central FD accounted for the largest number and volume of transactions, specifically 34.6% and 36.2%, respectively (vs 35.4% and 27.2% in 2023); and
- the North Caucasian FD accounted for the lowest number and volume of transactions, namely 3.4% and 3.0%, respectively (vs 2.7% and 2.5% in 2023).

REGIONAL DISTRIBUTION OF POSTAL TRANSFERS ACROSS REGIONS (BY NUMBER / BY VOLUME), % (Figure 12)

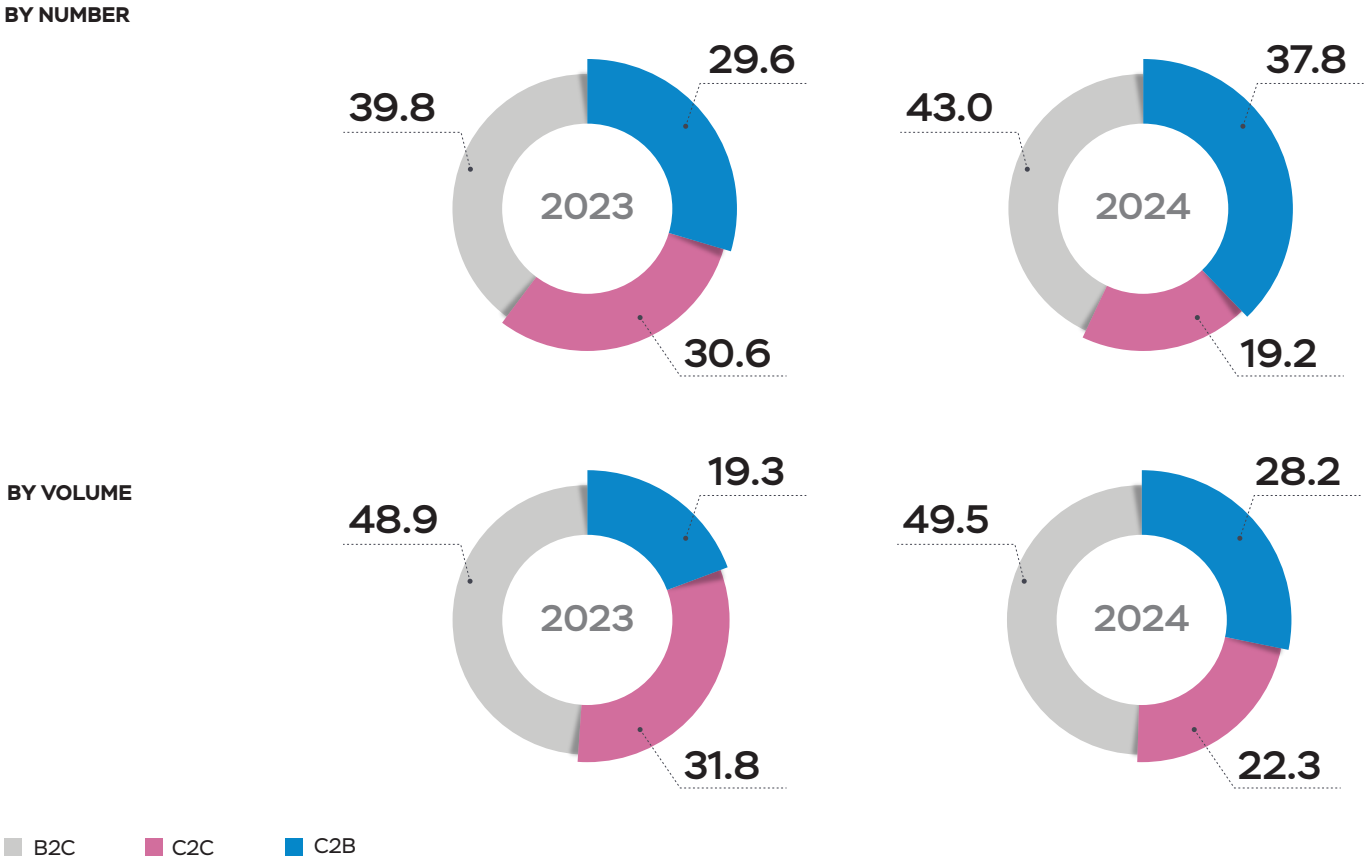


Source: Bank of Russia.

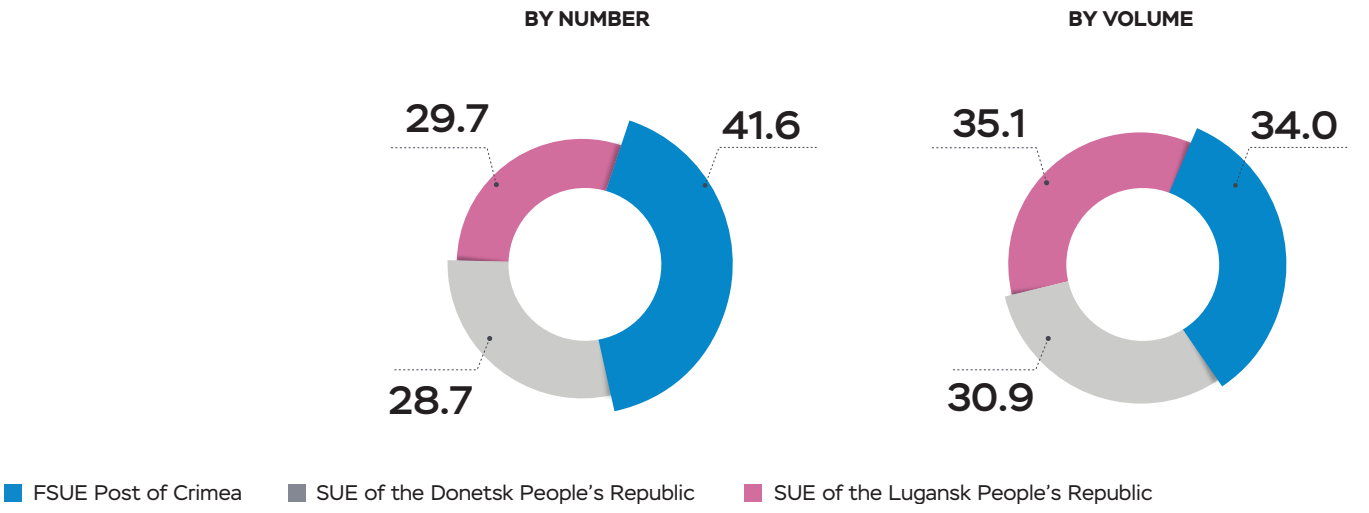
FSUE POST OF CRIMEA, SUE OF THE DONETSK PEOPLE'S REPUBLIC POST OF DONBASS, AND SUE OF THE LUGANSK PEOPLE'S REPUBLIC

In 2024, postal transfers numbered 0.6 million and amounted to ₽4.4 billion, which is 12.3% less and 1.2% more, respectively, as compared to 2023, with more than 98% of these transfers conducted within the Russian Federation. As before, B2C transactions prevailed in the structure of postal transfers within Russia, with their share in the total number and volume increasing by more than 3.2 and 0.6 percentage points, respectively (Figure 13).

STRUCTURE OF POSTAL TRANSFERS, % (Figure 13)



STRUCTURE OF POSTAL TRANSFERS IN 2024 ACROSS TERRITORIES



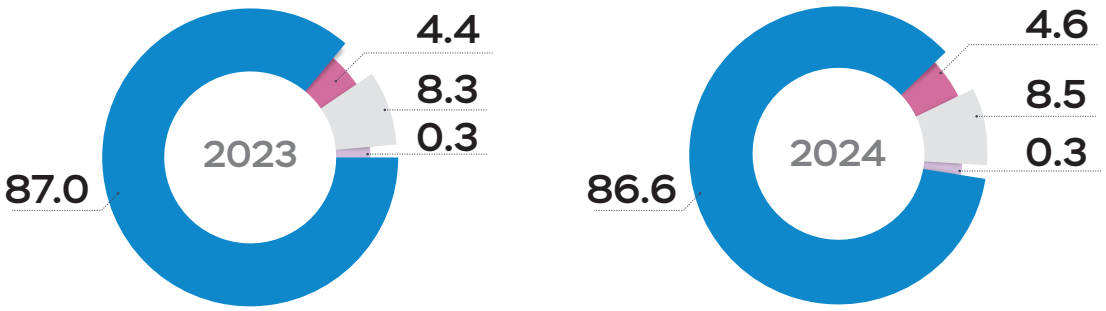
Source: Bank of Russia.

PAYMENTS ACCEPTED IN THE CAPACITY OF A PAO

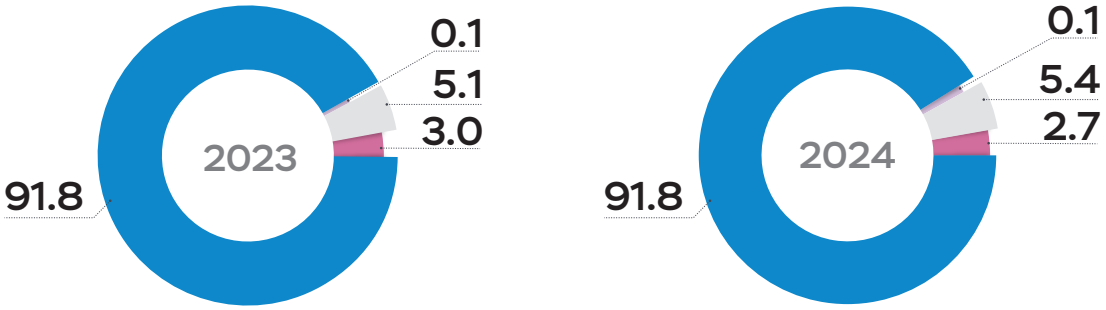
Over 2024, **JSC Russian Post** accepted 213.4 million payments totalling ₽189.9 billion, which is 18.8% and 14.8% less, respectively, compared to 2023. The average amount of a payment went up from ₽848 to ₽890. As before, payments for utility services prevailed in the structure of payments accepted by JSC Russian Post, accounting for 86.6% and 91.8% of the total number and volume, respectively (Figure 14).

STRUCTURE OF PAYMENTS ACCEPTED BY FPOs AS PAOs, % (Figure 14)

BY NUMBER



BY VOLUME



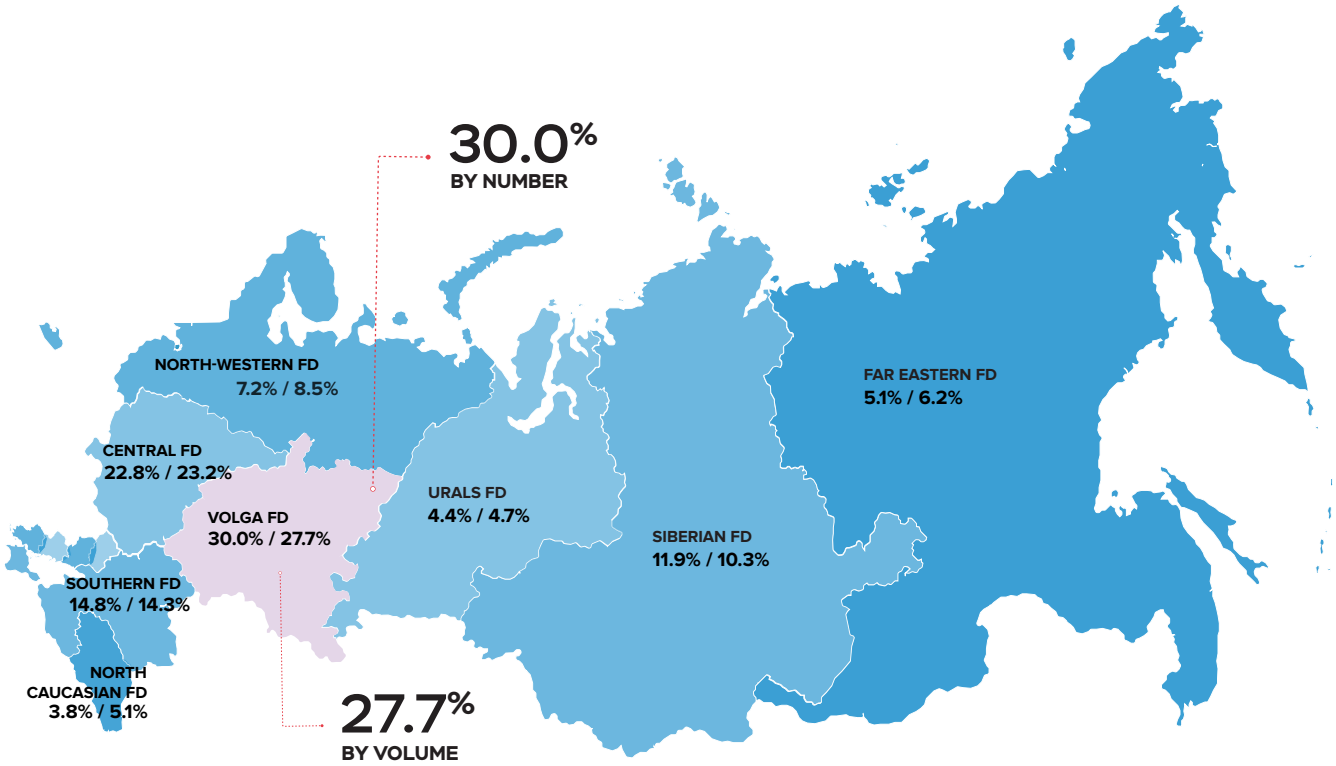
- Utility services
- Mobile phone services
- Landline phone services
- Other payments

Source: Bank of Russia.

The regional distribution of payments accepted in 2024 remained nearly the same as in 2023 (Figure 15):

- the Volga FD accounted for the largest number and volume of accepted payments, namely 30.0% and 27.7%, respectively (vs 31.2% and 28.2% in 2023);
- the North Caucasian FD accounted for the smallest number of accepted payments, specifically 3.8%, and the Urals FD accounted for the lowest volume, namely 4.7% (in 2023, the lowest percentages of accepted payments, in particular 3.5% and 4.7% of the total number and volume, respectively, were recorded in the North Caucasian FD).

REGIONAL DISTRIBUTION OF PAYMENTS ACCEPTED BY FPOs AS PAOs (BY NUMBER / BY VOLUME), % (Figure 15)



Source: Bank of Russia.

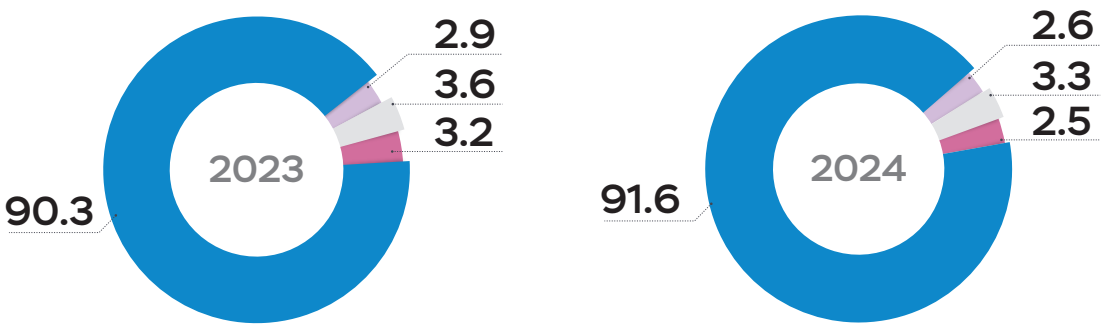
In 2024, **FSUE Post of Crimea, SUE of the Donetsk People's Republic POST OF DONBASS, and SUE of the Lugansk People's Republic** accepted 22.3 million payments totalling ₽14.4 billion, which is 22% and 9.3% less, respectively, as compared to 2023. The average amount of a payment went up from ₽555 to ₽646.

The structure of transactions in 2024 remained the same as in the previous year, with payments for utility services accounting for more than 90% of the total number and volume of transactions (Figure 16).

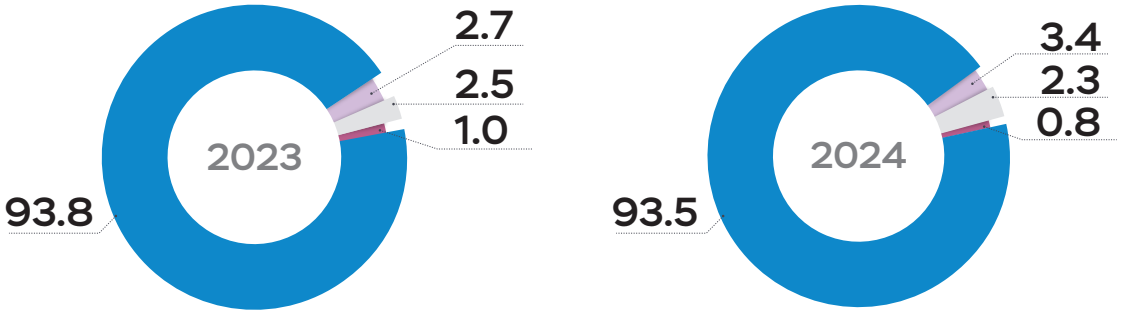
FSUE Post of Crimea accounted for the largest number and volume of payments accepted over 2024, specifically 35.0% and 44.9%, respectively (Figure 17).

STRUCTURE OF PAYMENTS ACCEPTED BY FPOs AS PAOs, % (Figure 16)

BY NUMBER



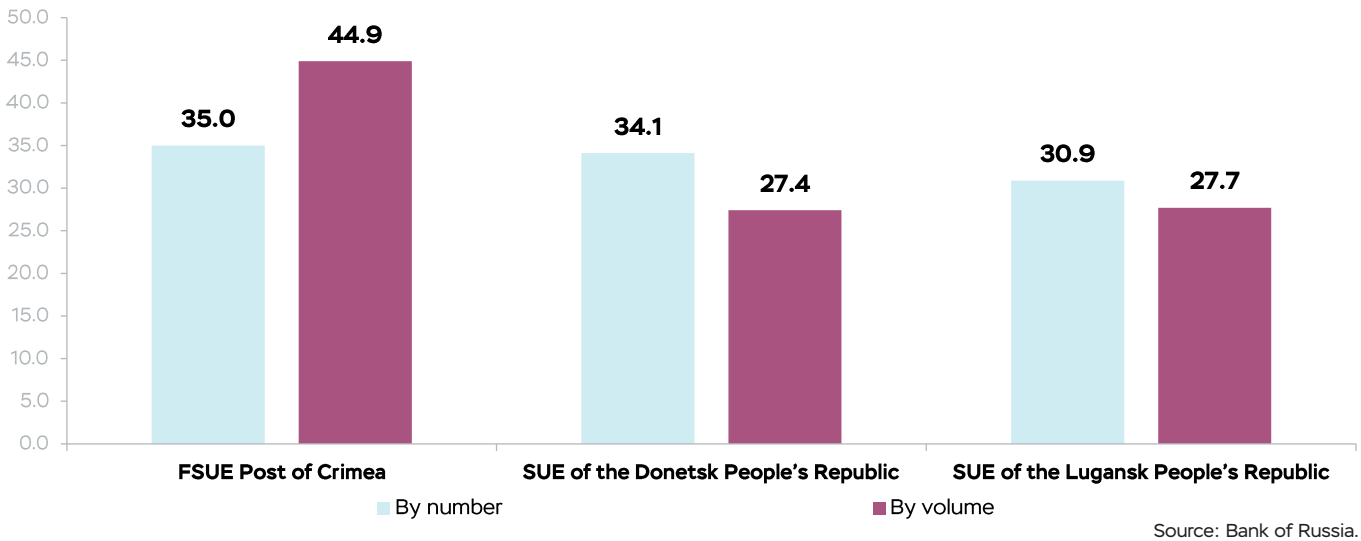
BY VOLUME



Utility services
Mobile phone services
Landline phone services
Other payments

Source: Bank of Russia.

REGIONAL DISTRIBUTION OF PAYMENTS ACCEPTED BY FPOs AS PAOs, % (Figure 17)



Source: Bank of Russia.

TRANSACTIONS CONDUCTED IN THE CAPACITY OF A BPA

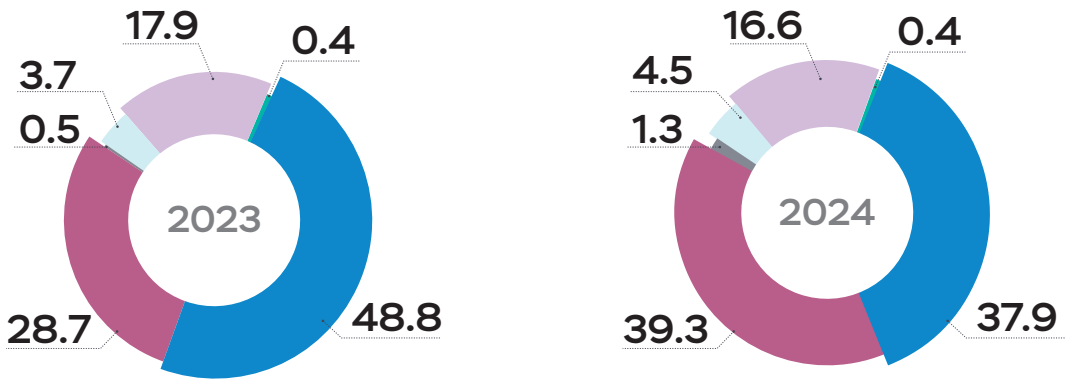
Transactions conducted in the capacity of a BPA were performed by JSC Russian Post and FSUE Post of Crimea.

Over 2024, transactions numbered 23.1 million and amounted to ₽36.3 billion, which is 27.3% less and 9.3% more, respectively, compared to 2023. The average amount of a transaction went up from ₽1,044 to ₽1,569.

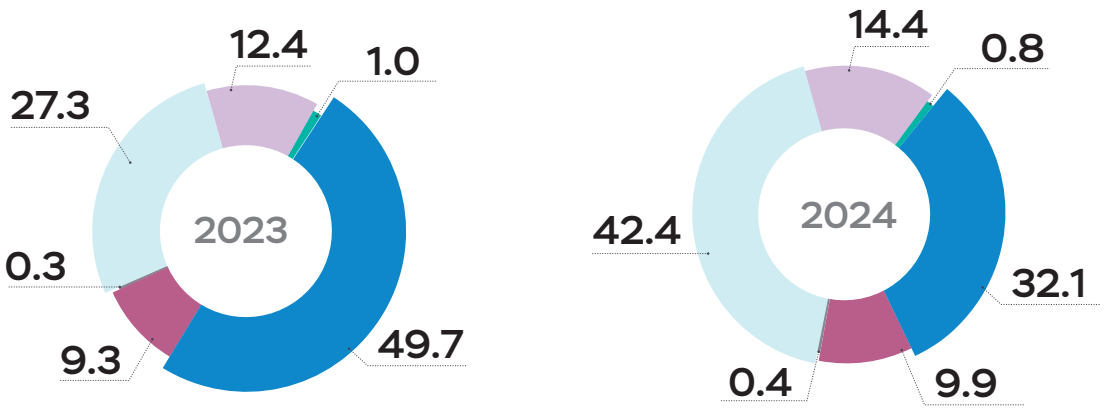
The structure of transactions conducted by FSUE Post of Crimea in 2024 remained the same as in 2023: all transactions were performed to transfer funds to individuals through the units of the Sevastopol Central Post Office.

STRUCTURE OF TRANSACTIONS PROCESSED BY FPOs AS BPAs TO PERFORM FUNDS TRANSFERS, % (Figure 18)

BY NUMBER



BY VOLUME



- Utility services
- Mobile phone services
- Landline phone services
- Loan repayments
- Other payments
- Funds transfers to individuals (other than postal transfers)

Source: Bank of Russia.

The structure of transactions conducted by JSC Russian Post remained the same as in 2023 (Figure 18):

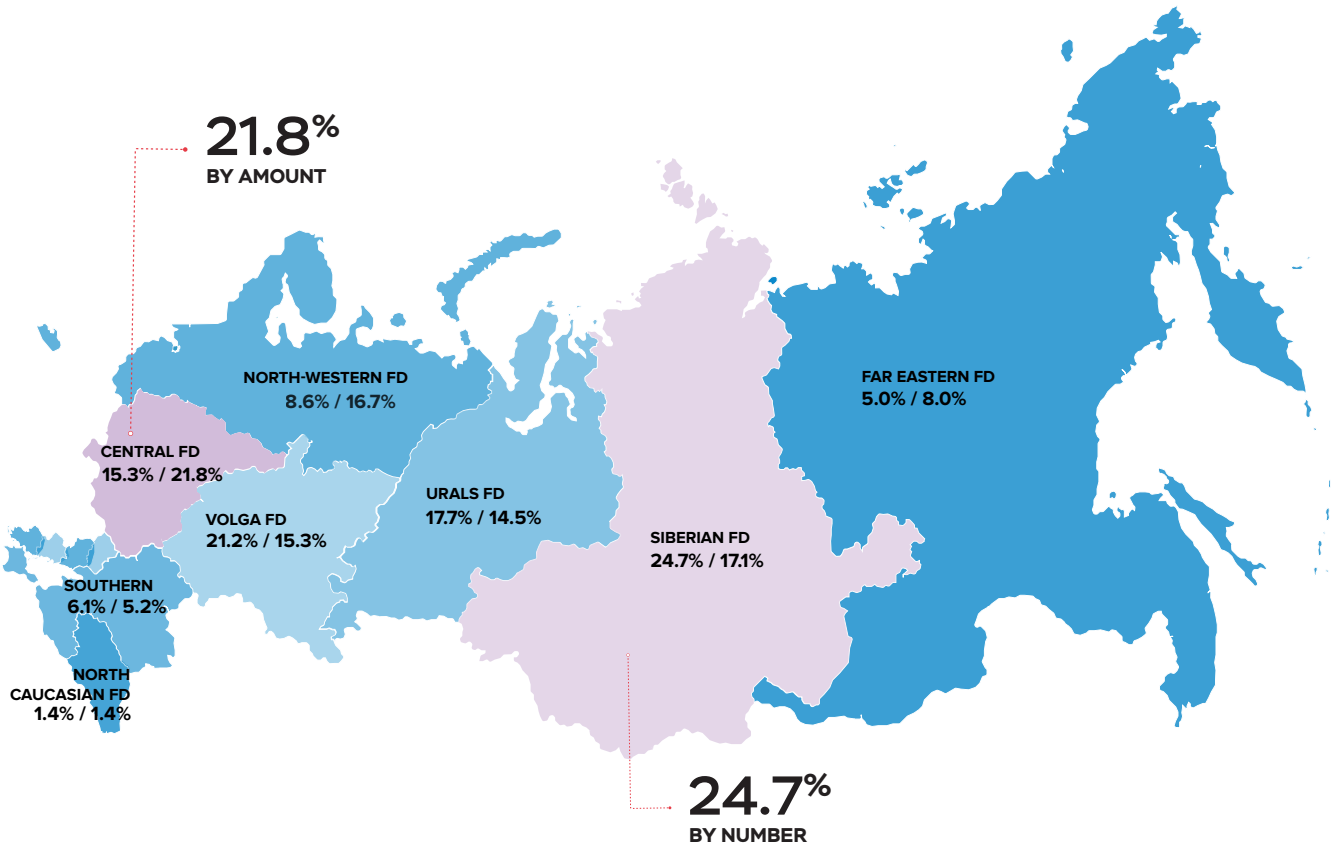
- payments for mobile phone services made up the highest percentage, specifically 39.3% of the total number; and
- loan repayments accounted for the largest volume, specifically 42.4% of all payments.

In 2023, the largest number (48.8%) and volume (49.7%) of transactions were recorded in the segment of payments for utility services.

The regional distribution of transactions conducted by JSC Russian Post in 2024 changed compared to 2023 (Figure 19):

- the Siberian FD accounted for the largest number and the Central FD accounted for the highest volume of accepted payments, specifically 24.7% and 21.8%, respectively; while in 2023, the largest number and volume of accepted payments were recorded in the Siberian FD; and
- the North Caucasian FD still accounted for the smallest number and volume of transactions, namely 1.4% for both indicators.

TRANSACTIONS PROCESSED BY FPOs AS BPAs IN 2024, BY FEDERAL DISTRICT (BY NUMBER / BY VOLUME), % (Figure 19)



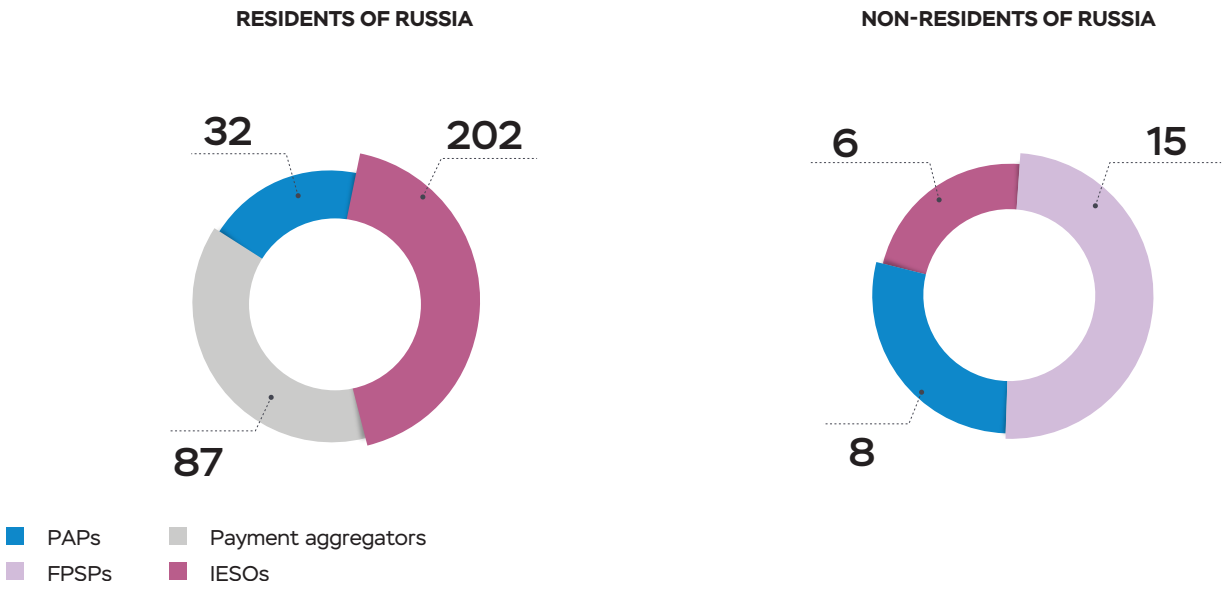
Source: Bank of Russia.

2.2.3. MONITORING OF INFORMATION EXCHANGE SERVICE OPERATORS, PAYMENT APPLICATION PROVIDERS, PAYMENT AGGREGATORS, AND FOREIGN PAYMENT SERVICE PROVIDERS

In accordance with the Law on the NPS, the Bank of Russia maintains lists of IESOs, PAPs, payment aggregators, and FPSPs (hereinafter the 'Lists'). Since 2020, the Bank of Russia has been monitoring institutions performing the functions of the abovementioned NPS entities, cooperating with credit institutions and PSOs in identifying risks in these NPS entities' operations, which might (if they materialise) adversely affect the provision of payment services, as well as devising approaches to mitigating these risks.

These NPS entities comprise organisations (including credit institutions) registered in the Russian Federation and in foreign states (Figure 20).

NUMBER OF NPS ENTITIES AS OF 1 JANUARY 2025 (Figure 20)



Source: Bank of Russia.

The Lists are updated pursuant to the procedure established by the Bank of Russia.

Furthermore, the Bank of Russia takes into account Forms 0403230–0403233[43] and publicly available information on the Internet (including the Unified State Register of Legal Entities and NPS entities' websites) and analyses the information on NPS entities' operations, in particular on the range of functions offered by these NPS entities; their licences (other permits), including those issued by foreign states; their software; national and international standards and servicing procedures applied by the NPS entities; the conditions of termination (suspension) of services provision pursuant to the NPS entities' agreements concluded with FTOs; as well as risks identified by FTOs in the course of interaction with the NPS entities.

[43] Form 0403230 'Information on Payment Application Providers', Form 0403231 'Information on Foreign Payment Service Providers', Form 0403232 'Information on Information Exchange Service Operators', and Form 0403233 'Information on Bank Payment Agents Engaged in Payment Aggregator Operations' are established by Bank of Russia Ordinance No. 5429-U, dated 6 April 2020, 'On the Procedure for the Bank of Russia to Maintain the List of Payment Application Providers, the List of Foreign Payment Service Providers, the List of Information Exchange Service Operators, and the List of Bank Payment Agents Engaged in Payment Aggregator Operations; on the Procedure, Forms, Composition, and Timeframe for Money Transfer Operators and Payment System Operators to Provide Information for the Maintenance of the Specified Lists'.

2.3. IMPORTANT PAYMENT SYSTEMS ASSESSMENT RESULTS

The Bank of Russia carries out regular assessment of systemically and socially important PSs to verify their compliance with the Bank of Russia's recommendations regarding risk management in PSs.[44].

In 2024, the Bank of Russia completed the scheduled assessments of the NSD PS and the Sberbank PS. The results of the assessments showed that the NSD PS and Sberbank PS comply with the Bank of Russia's recommendations on risk management in PSs.

The summaries of the assessments of important PSs are published in press releases on the Bank of Russia website in the National Payment System section.

IN 2024, THE BANK OF RUSSIA ASSESSED PSS' COMPLIANCE WITH THE BANK OF RUSSIA'S RECOMMENDATIONS ON RISK MANAGEMENT

[44] Taking into account Bank of Russia Letter No. 94-T, dated 29 June 2012, "On the Document of the Committee on Payment and Settlement Systems 'Principles for Financial Market Infrastructures'" and Bank of Russia Information Letter No. IN-04-45/89, dated 2 December 2019, 'On the Methodology for the Bank of Russia to Assess Systemically and Socially Important Payment Systems and Systemically Important Financial Market Infrastructures'.

3. DEVELOPMENT OF INTERNATIONAL COOPERATION ON NPS MATTERS

In 2024, the Bank of Russia continued cooperation with foreign regulators and financial market participants in order to increase the proportion of settlements in national currencies, promote the development of innovative technologies, and enhance financial inclusion for individuals and LEs.

When planning and implementing international cooperation measures, the Bank of Russia considers recent trends and specific dynamics of integration processes, including those within the Eurasian Economic Union (EAEU).

The Bank of Russia maintains the cooperation with central (national) banks of the EAEU member states aimed at advancing national payment systems and expanding the common payment environment in accordance with the Concept for the Formation of the EAEU Common Financial Market.

3.1. INTERNATIONAL COOPERATION IN NPS OVERSIGHT

In 2024, as part of the international cooperation between the Bank of Russia and foreign central (national) banks in the area of NPS supervision and oversight, the regulators continued exchanging information about their approaches to regulation, supervision, and oversight in NPSs pursuant to the treaties signed to harmonise these approaches and enhance the quality of offered payment services.

INTERNATIONAL COOPERATION:

EXPERIENCE AND INFORMATION EXCHANGE

ANNUAL INTERNATIONAL WEBINAR

Furthermore, in November 2024, the Bank of Russia held an annual international webinar 'The Specifics of Russia's National Payment System. Main Approaches and Practical Aspects of Supervision and Oversight in the National Payment System'. The webinar was attended by representatives of the Bank of Russia, central (national) banks of 12 foreign states, and the Russian payment services market.

The participants in the webinar shared their experience in implementing the main projects and expertise in the key areas of the NPS development, exchanged their opinions and practical approaches to supervision and oversight in NPSs of various countries, as well as discussed such topics as consumer protection, information security, and digital technology development.

3.2. RESULTS OF WORK IN THE BRICS PAYMENT TASK FORCE

Under Russia's BRICS presidency in 2024, the Bank of Russia ensured the promotion of Russia's payment agenda in the BRICS Payment Task Force (BPTF). The key result of this work was the adoption of the framework document for the BRICS Cross-Border Payment Initiative (BCBPI). This project provides for establishment of a multilateral platform for settlements with use of central bank digital currencies, funds held in bank accounts, and digital financial assets. The BPTF also discussed such issues as settlements in BRICS countries' national currencies, supervision and oversight in NPSs, and implementation of the ISO 20022 financial messaging standard.

The BPTF was established by the Bank of Russia in 2020 under Russia's BRICS presidency. The work of the BPTF was highly praised in several BRICS summit declarations. In 2024, the BPTF expanded[45] to include representatives of the Central Bank of Egypt, the National Bank of Ethiopia, the Central Bank of the Islamic Republic of Iran, and the Central Bank of the United Arab Emirates (Figure 21).

EXPANSION OF BPTF IN 2024 (Figure 21)

In February 2024, during an online BRICS meeting, central bank deputy governors approved the BPTF's agenda proposed by the Bank of Russia, including the topic related to organisation of supervision and oversight in BRICS countries' NPSs.

In the course of implementing the 2024 BRICS agenda, the Bank of Russia did the following:

- prepared the position paper 'NPS Supervision and Oversight' and a questionnaire about BRICS countries' NPS supervision and oversight approaches, and sent these materials to the BPTF;
- held a webinar 'Supervision and Oversight in the National Payment System. Cooperation with Central Banks on NPS Oversight Issues' for representatives of BRICS central banks; and
- worked together with the BPTF members to finalise a report on organisation of supervision and oversight in BRICS countries' NPSs, which was prepared based on the analysis of responses to the Bank of Russia's questionnaire.

In October 2024, BRICS deputy finance ministers and central bank governors approved a number of final documents on the results of the BPTF's work in 2024, including the analytical report 'The Payment Market and Approaches to Supervision and Oversight in BRICS' prepared by the Bank of Russia.

Brazil's BRICS presidency in 2025 continued the key workstreams put by the Bank of Russia on the BRICS Finance Track's agenda in 2024.

[45] Before its expansion in 2024, BRICS included Brazil, Russia, India, China, and South Africa.

4. INTERNATIONAL AND DOMESTIC BEST PRACTICES IDENTIFIED

4.1. ANTI-MISCODING PRACTICES OF DOMESTIC PAYMENT SYSTEM OPERATORS AND CREDIT INSTITUTIONS

Growth of cashless payments in retail turnover increases the demand for acquiring, where an FTO (FTO acting as an acquirer) enables acceptance of payment cards by merchants and performance of settlements with merchants pursuant to acquiring agreements (payment card processing agreements).

When signing an acquiring agreement with a merchant, an FTO acting as an acquirer assigns an activity type code, or an MCC[46] to the merchant. The procedure for assigning, changing, and controlling for the correctness of MCCs is developed by an FTO acting as an acquirer, including based on PSO documents (rules, standards, and guidelines).

Miscoding

ASSIGNMENT OF A WRONG MCC NOT MATCHING THE MERCHANT'S ACTUAL ACTIVITY TYPE

The NPS entities use MCCs to determine the size of interchange fees and bonuses (cashback), as well as to monitor and supervise operations of merchants involved in high-risk activities.

Miscoding can occur due to both unintentional errors made when assigning MCCs (e.g. for borderline or similar types of merchants' activities) and unfair practices in the payment market aimed at concealing a merchant's actual operations or illegal business activities.

In 2024, the Bank of Russia carried out a survey of a number of PSOs and FTOs with regard to miscoding, which demonstrated that NPS entities were aware of miscoding-related problems and the effectiveness of miscoding risk management to mitigate negative consequences of miscoding, reduce the number of non-transparent, dubious, and illegal payment card transactions, and correctly calculate interchange fees, acquiring fees, and bonuses (cashback) under loyalty programmes.

As long as acquiring agreements remain in force, FTOs acting as acquirers monitor whether merchants' actual operations comply with the assigned MCCs, in particular:

- check whether the website where a merchant actually sells its products (services) is the same as the website specified by the merchant in the acquiring agreement (for internet acquiring);
- check whether the activity types declared by a merchant match its transaction profile (e.g. the number of transactions per hour/day/month, the distribution of transactions over a day, transaction amounts, the number of transactions from the same payer over a short period, etc.) within the term of the acquiring agreement;
- conduct mystery shopping; and
- organise on-site inspections of merchants conducted by representatives of the FTOs acting as acquirers.

[46] A merchant category code (MCC) is a four-digit number used to classify a merchant's core activity.

PSOs and FTOs acting as acquirers pay attention to the miscoding issue, specifically analysing the cases of miscoding, identifying the reasons, and implementing preventive measures. PSOs conduct random checks and analyse complaints and applications regarding miscoding.

When revealing a case of miscoding of a merchant, a PSO can implement enforcement measures against the FTO acting as an acquirer that provide services to the merchant, in particular demand that the FTO acting as an acquirer must change the MCC, impose fines on the FTO acting as an acquirer, suspend payment card transactions in the device network of the FTO acting as an acquirer, and suspend or terminate the membership of the FTO acting as an acquirer in the PS. In turn, FTOs acting as acquirers may demand that a merchant with a wrong MCC must specify the correct MCC, and may raise the fee if the change in the MCC affects the interchange fee, impose fines, suspend acquiring services, or terminate the acquiring agreement with the merchant.

To prevent miscoding cases, PSOs provide explanations to FTOs acting as acquirers on how to choose correct MCCs, inform PS participants about MCCs recommended for consideration at the stage of signing an acquiring agreement, unify interchange fees for related MCCs (for borderline or similar activity types), recalculate interchange fees, impose fines in case of miscoding, as well as record and analyse identified cases of miscoding.

Measures aiming to prevent miscoding help develop payment services, improve transparency and security of cashless payments, and boost the use of payment cards to purchase goods and services.

4.2. DOMESTIC CREDIT INSTITUTIONS' PRACTICES OF MANAGING RISKS IN PAYMENT SERVICES

As part of the monitoring of FTOs' operations in 2023–2024, the Bank of Russia summed up domestic credit institutions' practices of managing risks arising in the course of providing payment services when credit institutions outsource payment services and cooperate with foreign partners (cross-border operations).

When engaging such NPS entities as IESOs, BPAs (including payment aggregators), and PAPs (hereinafter collectively referred to as 'outsourcers'), credit institutions stipulate the following in their internal documents:

- approaches to assessing risks for a credit institution arising when the provision of payment services is outsourced, taking into account the scale of the outsourcer's business that is determined based on such criteria as the number and volume of transactions processed with the engagement of the outsourcer (or their proportion in the total number and volume of transactions), the scale of the outsourcer's payment infrastructure (the number of terminals connected to merchants, including online stores, and devices with an installed payment app);
- measures to ensure an orderly transition from an outsourcer's information infrastructure objects[47] and a full data migration upon termination of the agreement with the outsourcer; and
- the list of adverse effects that an outsourcer may have on credit institutions' operations in the course of provision of payment services.

Adverse effects can be associated with:

- technological failures in the functioning of an outsourcer's information systems;
- disruptions in the functioning of PSs;
- an outsourcer's failure to comply with the signed agreement due to reasons other than technological failures in the functioning of its information systems (the outsourcer's bad faith actions, errors in its internal processes and regulations, materialisation of physical or information security risks, etc.);
- a reputational risk for a credit institution caused by an outsourcer's bad faith actions;

[47] Automated management systems of an organisation, information systems, software, computer equipment, telecommunication devices, and information and telecommunication networks.

- an outsourcer's failure to comply with the laws on the NPS; and
- concentration of provided services with one or several outsourcers, which may entail serious negative implications, e.g. in case of their prolonged malfunction or failure to comply with signed agreements.

Credit institutions are implementing a set of measures aiming to prevent or mitigate negative effects that an outsourcer may have on their operations, in particular:

- monitor an outsourcer's operations and business reputation within information and analytical systems for the purposes of checking counterparties;
- continuously communicate with an outsourcer and a PSO to promptly receive information from the outsourcer and the PSO about operational risk events and response measures taken, e.g. in case of an outsourcer IESO's malfunction;
- conclude an agreement with an alternative outsourcer and/or migrate their payment traffic to an alternative outsourcer under the already existing agreement, and perform the outsourced functions on their own;
- revise the contractual relationships to strengthen the regulation of an outsourcer's operations and control for the outsourcer's compliance with the regulations, or update the list of cases when an outsourcer shall be liable for a failure to comply with the agreement (e.g. by signing a service quality agreement);
- stipulate the requirements for an outsourcer with regard to management of risks in its operations, compliance with the mode of the processing and storage of data received in connection with services provided to credit institutions, the requirements for regular submission by an outsourcer of information on its operations needed to assess and manage the risks of its outsourcing, and the requirements for notification by an outsourcer about planned changes in its information infrastructure objects which may impact its performance of the functions stipulated by the agreement; and
- establish conditions for termination of the agreement with an outsourcer or for refusal to renew such agreement, and specify the deadline for an outsourcer to notify the credit institution of its plans to terminate the agreement.

In addition, when outsourcing functions to foreign organisations, credit institutions develop a set of measures aimed at preventing the consequences of possible risk events in the course of cross-border operations.

4.3. INTERNATIONAL PRACTICES OF INTEGRATING NATIONAL PAYMENT INFRASTRUCTURES FOR FAST CROSS-BORDER PAYMENTS

Today, many countries continue active development of their payment markets, considering the demand for domestic and cross-border funds transfers as a financial service. Advanced payment technologies, new financial market participants' interest in the payment industry, and their joint efforts to implement their projects for enhancing cross-border funds transfers necessitate intensive cooperation among national payment infrastructures.

The main priorities of this interaction are convenience, speed, cost, and security of payments. Therefore, international organisations pay particular attention to actively developing projects aimed at interlinking countries' national instant payment systems for cross-border funds transfers (e.g. in Southeast Asia, Europe, and Arab states) and publish the results of the surveys on this topic.

According to international research,[48] the integration of instant payment systems can offer the following benefits:

- higher efficiency of payment processing, fewer errors owing to standardisation of data exchange (e.g. over the course of the next five years, 81% of all European instant payment systems plan to process cross-border payments pursuant to the ISO 20022 financial messaging standard);
- fewer intermediaries in the course of payment processing, which will accelerate the processing of payments;
- higher transparency of payments as a result of more efficient control for compliance with the requirements based on common rules;
- lower costs of payment processing;
- lower foreign exchange risks; and
- higher competition among PSPs.

Instant payment systems may be integrated into various models, such as a single access point model (communication via an intermediary – participant), a bilateral link model (direct communication between participants), a hub model (when systems link to a common intermediary), and a common platform model.[49]

When implementing these models, it is recommended to consider the specifics of the cross-border payment market, trends towards a higher level of standardisation in data processing, and the development of technological innovations.

Particular attention of the research is paid to a harmonisation of application programming interfaces (APIs) for data exchange, which can increase the efficiency and speed of cross-border payments by reducing manual intervention and accelerating data exchange across the entire payment chain. The API harmonisation has been specified as a top priority for cheaper, faster, more transparent and accessible cross-border payments.

The cross-border integration of payment infrastructures, including instant payment systems, requires not only technical interoperability of the systems and their common operational structure for conducting transactions, clearing, and settlements, but also a reliable management and oversight systems that would support high payment security standards.

PRIORITIES IN COOPERATION AMONG NATIONAL PAYMENT INFRASTRUCTURES WHEN PROCESSING PAYMENTS:

CONVENIENCE

SPEED

COSTS

SECURITY

[48] Reports by the Committee on Payments and Market Infrastructures of the Bank for International Settlements Regional payment infrastructure integration: insights for interlinking fast payment systems (No. 4, May 2024); Steady as we go: results of the 2023 CPMI cross-border payments monitoring survey (No. 5, June 2024); Linking fast payment systems across borders: governance and oversight (final report, October 2024).

[49] For the detailed description and illustrated schemes of these models, refer to the report by the Bank for International Settlements 'Regional payment infrastructure integration: insights for interlinking fast payment systems' (No. 4, May 2024), pp. 3–4.

CENTRAL (NATIONAL) BANKS:

CAN PARTICIPATE IN AN INTERNATIONAL PROJECT ON PAYMENT INTEGRATION

AND CARRY OUT JOINT OVERSIGHT OF SUCH PROJECT

The practice shows that central (national) banks act as facilitators encouraging the development of a mechanism for cross-border payments between instant payment systems, while frequently participating in these projects as well. Besides, central (national) banks establish the procedure for joint oversight and regulation over the mechanism created as part of the international projects, and monitor the process of cross-border payments to ensure the conditions for secure, effective, and fast cross-border payments.

Some examples of these projects are:

- the Nexus Project, where the participants successfully completed the testing of the model for connecting Southeast Asian countries' instant payment systems in 2024;
- the TARGET Instant Payment Settlement (TIPS) service launched in Europe in 2018; and
- the Buna, a cross-border and multi-currency payment system created for Arab states.

The countries' efforts to integrate their national payment infrastructures as part of their broader regional economic strategies, and accordingly, the work in this area will apparently require a thorough analysis of the specifics of business processes in particular jurisdictions, demand for payment services, and introduction of new payment technologies and digital currencies.

For the results of the international research, please scan the QR codes below:

Regional payment infrastructure integration: insights for interlinking fast payment systems, May 2024

Steady as we go: results of the 2023 CPMI cross-border payments monitoring survey, June 2024

Linking fast payment systems across borders: governance and oversight, October 2024

ANNEX

FEDERAL LAWS PERTAINING TO THE NPS ISSUED IN 2024

1. Federal Law No. 122-FZ, dated 29 May 2024, "On Amending the Federal Law 'On the National Payment System'" (with regard to the increase in the highest allowed e-money balance for using non-personalised EMP with simplified identification of an individual client introduced on 30 May 2025).
2. Federal Law No. 223-FZ, dated 8 August 2024, 'On Amending Certain Laws of the Russian Federation'.
3. Federal Law No. 275-FZ, dated 8 August 2024, "On Amending the Federal Law 'On Banks and Banking Activities' and Certain Laws of the Russian Federation".
4. Federal Law No. 276-FZ, dated 8 August 2024, "On Amending the Federal Law 'On the Acceptance of Payments from Individuals by Payment Agents'".
5. Federal Law No. 412-FZ, dated 23 November 2024, "On Amending Articles 8 and 20 of the Federal Law 'On the National Payment System'".
6. Federal Law No. 522-FZ, dated 28 December 2024, "On Amending the Federal Law 'On the National Payment System'" (to account for amendments to Federal Law No. 115-FZ, dated 7 August 2001).

REGULATIONS AND OTHER BANK OF RUSSIA ACTS PERTAINING TO THE NPS ISSUED IN 2024

1. Bank of Russia Ordinance No. 6653-U, dated 9 January 2024, "On Amending Bank of Russia Regulation No. 738-P, Dated 27 October 2020, 'On the Procedure for Ensuring Smooth Functioning of the Bank of Russia Payment System'".
2. Bank of Russia Ordinance No. 6654-U, dated 9 January 2024, 'On the Procedure and Timeframes for the Bank of Russia to Make a Decision on Excluding the Information on a Payment Acceptance Operator from the Register of Payment Acceptance Operators, as well as on the Form of the Application for Excluding a Payment Acceptance Operator from the Register of Payment Acceptance Operators, the List of Documents Attached to the Application, and the Procedure for Sending Them to the Bank of Russia'.
3. Bank of Russia Ordinance No. 6656-U, dated 1 January 2024, "On Amending Bank of Russia Regulation No. 732-P, Dated 24 September 2020, 'On the Bank of Russia Payment System'".
4. Bank of Russia Ordinance No. 6726-U, dated 14 May 2024, 'On Amending Clause 1 of Bank of Russia Ordinance No. 3439-U, Dated 6 November 2014'.
5. Bank of Russia Ordinance No. 6747-U, dated 13 June 2024, "On Amending Clause 1 of Bank of Russia Ordinance No. 5348-U, Dated 9 December 2019, 'On Cash Settlement Rules'".
6. Bank of Russia Ordinance No. 6753-U, dated 17 June 2024, "On Amending Bank of Russia Regulation No. 732-P, Dated 24 September 2020, 'On the Bank of Russia Payment System'".
7. Bank of Russia Ordinance No. 6772-U, dated 26 June 2024, 'On the Requirements for Measures (Including the Amounts of Fines) Applied by a Financial Market Self-regulatory Organisation of Payment Acceptance Operators to its Members'.
8. Bank of Russia Ordinance No. 6804-U, dated 12 July 2024, "On Amending Bank of Russia Regulation No. 820-P, Dated 3 August 2023, 'On the Digital Ruble Platform'".
9. Bank of Russia Ordinance No. 6814-U, dated 31 July 2024, 'On the Procedure for a Customs Authority to Send Certain Documents of the Customs Authority in Electronic Form to the Digital Ruble Platform Operator, the Procedure for the Digital Ruble Platform Operator to Send a Message Containing

Information on the Digital Ruble Balance in the Digital Ruble Account of a Payer (a Person Who is Jointly and Severally Liable) to the Customs Authority, and on the Date When the Digital Ruble Platform Operator Shall Receive Certain Decisions of the Customs Authority'.

10. Bank of Russia Ordinance No. 6825-U, dated 16 August 2024, 'On Amending Bank of Russia Ordinance No. 3439-U, Dated 6 November 2014'.
11. Bank of Russia Ordinance No. 6844-U, dated 9 September 2024, 'On Amending Bank of Russia Ordinance No. 6654-U, Dated 9 January 2024'.
12. Bank of Russia Ordinance No. 6861-U, dated 25 September 2024, 'On the List of Mandatory Basic Standards to be Developed by Financial Market Self-regulatory Organisations of Payment Acceptance Operators and the Requirements for Their Content, as well as on the Scope of Payment Acceptance Operators' Activities in the Financial Market to be Standardised'.
13. Bank of Russia Ordinance No. 6898-U, dated 7 October 2024, 'On the Procedure for Managing the Risks and Supporting the Continuity of the Operation of the Digital Ruble Platform'.
14. Bank of Russia Ordinance No. 6907-U, dated 22 October 2024, 'On the Procedure for a Tax Authority to Send Certain Documents of the Tax Authority in Electronic Form to the Digital Ruble Platform Operator, the Procedure for the Digital Ruble Platform Operator to Send an Electronic Message to the Tax Authority Containing Information on the Digital Ruble Balance in the Digital Ruble Account Where Transactions Have Been Suspended, and on the Procedure for Stipulating the Date and Time When the Digital Ruble Platform Operator Shall Receive the Decision in Electronic Form on the Suspension of a Corporate Taxpayer's Transactions on the Digital Ruble Account'.
15. Bank of Russia Ordinance No. 6950-U, dated 22 November 2024, 'On the Procedure for Overseeing the National Payment System'.
16. Bank of Russia Ordinance No. 6957-U, dated 9 December 2024, "On Amending Bank of Russia Regulation No. 732-P, Dated 24 September 2020, 'On the Bank of Russia Payment System'".
17. Bank of Russia Standard STO BR NPS-14.0-2024, dated 9 January 2024, 'Financial Messages in the NPS. Trade Transactions. Communication Models'.
18. Bank of Russia Standard STO BR NPS-15.0-2024, dated 9 January 2024, 'Financial Messages in the NPS. Trade Transactions. Scheme Album'.
19. Bank of Russia Standard No. PM-04-45-1-3/45, dated 12 March 2024, 'The Common Plan for Transitioning to Financial Messaging Pursuant to the ISO 20022 International Standard in the National Payment System'.
20. Bank of Russia Order No. OD-1434, dated 6 September 2024, "On the Bank of Russia's Supervision over Compliance by Financial Market Self-regulatory Organisations of Payment Acceptance Operators with Federal Law No. 223-FZ, Dated 13 July 2015, 'On Self-Regulatory Organisations in the Financial Market', Other Federal Laws and Regulations, Bank of Russia Regulations, and Basic and Internal Standards".
21. Bank of Russia Information Letter No. IN-04-45/8, dated 1 February 2024, 'On Non-application of Enforcement Measures Against Credit Institutions'.
22. Bank of Russia Information Letter No. IN-04-45/14, dated 16 February 2024, 'On Invalidating Certain Bank of Russia Letters'.
23. Bank of Russia Information Letter No. IN-012-56/26, dated 15 April 2024, 'On Clarifying the Provisions of Part 12 of Article 16 of Federal Law No. 572-FZ'.

24. Bank of Russia Information Letter No. IN-04-45/32, dated 22 May 2024, 'On the Impermissibility of Limiting Individuals' Fee-free Funds Transfers'.

25. Bank of Russia Information Letter No. IN-04-45/40, dated 18 July 2024, 'On Support for Credit Institutions' Clients Doing Business in Certain Territories'.

26. Bank of Russia Letter No. 04-45/107, dated 11 January 2024, 'On Invalidating Bank of Russia Methodological Recommendations to Funds Transfer Operators to Enhance Control over Bank Payment Agents' Operations No. 11-MR, Dated 14 April 2016'.

The regulations regarding the NPS are available on the Bank of Russia website in the National Payment System section.

ABBREVIATIONS

BRPS	Bank of Russia Payment System
BPA	bank payment agent
DIA.RF	State Corporation Deposit Insurance Agency
EAEU	Eurasian Economic Union
EFO	electronic funds operator
e-money	electronic money
EMP	electronic means of payment
EPO	electronic platform operator
FD	Federal District
FPO	federal postal service organisation
FPSO	foreign payment system operator
FPSP	foreign payment service provider
FSUE	federal state unitary enterprise
FTO	funds transfer operator
ICI Register	Register of Credit Institutions Recognised by the Bank of Russia as Important in the Payment Services Market
IESO	information exchange service operator
Law on the NPS	Federal Law No. 161-FZ, dated 27 June 2011, 'On the National Payment System'
LE	legal entity
NPCS	national payment card system
NPS	national payment system
NPSP	non-bank payment service provider
NSD PS	NSD Payment System
NSPK JSC	National Payment Card System Joint Stock Company
PA	payment agent
PAO	payment acceptance operator
PAP	payment application provider
PISO	payment infrastructure service operator
PS	payment system
PSO	payment system operator
PSP	payment service provider
SBP	Faster Payments System (a service of the Bank of Russia Payment System jointly developed by the Bank of Russia and NSPK JSC)
SRO	self-regulatory organisation
SUE	state unitary enterprise