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Global Partnership  
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# **G20 National Remittances Plan**

## **Russia 2023**

### **Biennial Update**

GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION

G20 RUSSIA'S NATIONAL REMITTANCE PLAN  
BIENNAIAL UPDATE FOR 2024-25

RUSSIA, 2023

## **Background**

The Group of Twenty (G20) recognizes that remittance flows are an important driver for economic growth and prosperity in developing countries. When leveraged properly and when confined to regulated and monitored channels, in both sending and receiving countries, remittance flows can better help to lift people out of poverty, improve economic infrastructure, and encourage more engagement in the regulated financial sector. Among other positive spillover effects, remittances can be an accelerator for financial inclusion and participation in the digital economy.

In 2014, the G20 announced its Plan to Facilitate Remittance Flows<sup>1</sup>. This plan also included an outline for country-led actions to support reducing cost of sending remittances. In 2015, G20 countries announced their National Remittances Plans. Further, the NRP support the GPFI's alignment to the UN 2030 Agenda, including the target 10.c (i.e., to reduce to less than 3 per cent the cost of remittances and to eliminate remittance corridors with costs higher than 5 per cent by 2030) under Sustainable Development Goal 10. In accordance with the High-level statement on remittances and the related NRPs monitoring framework, established in 2015, G20 Leaders agreed to review the NRPs annually, and to update NRPs every two years. The previous Russian Federation updated plan was prepared in 2021 for 2022-23. The activities under updated Russia's National Remittances Plan will continue to fulfil key tasks in main areas defined in the previous and this new plan.

Russian Federation has been participating actively in the G20 National Remittance Plans' (NRPs) process to develop plan to implement measures, appropriate to country circumstances and the needs of its remittance corridors.

The initial 2015 Russia's plan was focused on three main areas:

- Increase Remittance Market Competitiveness;
- Improve Financial System Infrastructure and Pursue Policies Conducive to Harnessing Emerging Technologies;
- Improve Transparency and Consumer Protection of Remittance Transfers.

Since then Russia remained the least expensive G20 sending remittances country. The complex of actions helped to maintain the low cost of transferring remittances by harmonizing regulation, increasing the efficiency of payment systems infrastructure, and fostering innovative low cost products such as digital and mobile payments.

Country measures also provided for the use of the national payment system MIR cards including P2P-transfers abroad. These actions complement activities in promoting financial literacy and consumer protection. The Russian Federation launched the first National Financial Literacy Strategy in 2017. In October 2023, the Russian Government adopted the new National Financial Literacy Strategy. The Ministry of Finance of the Russian Federation and Bank of Russia conduct events and other activities on the experience exchange of the financial education practices with the CIS countries. A unified competencies framework on financial literacy with focus on digital financial literacy was developed and adopted.

The 2020 G20 FIAP recognized the importance of remittance and emphasized the need for focused efforts on remittances due to the negative impact of COVID-19. It includes promotion of the development of responsible innovative payment systems to provide affordable, secure, interoperable, transparent, and inclusive payment solutions across borders and within G20 and non-G20 countries to support progress on reducing the cost of remittances, while maintaining consumer protection and requisite disclosures.

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<sup>1</sup> <https://www.gpfi.org/publications/g20-plan-facilitate-remittance-flows>

### **Russia's remittances profile**

As of the last available data, Russia remains the least expensive G20 sending remittances country, according to the World Bank<sup>2</sup>. Russia continues its work towards enhancing cross-border payments and keeping remittance costs low.

Russia plays an important role in the global remittances market as a significant sending economy to households in CIS economies.

Russia has a unique environment where cross-border remittances are mostly conducted in the same currency and possible additional costs associated with a currency exchange are not widespread.

### **Remittances sector in Russia**

Generally, outflows prevail in Russian remittances sector.

<i>Year</i>	<i>Inflow (if 1b or 1c)</i>	<i>Outflow (if 1a or 1c)</i>
2021	24 734	43 931
2020	23 402	40 105
2019	25 095	41 682
2018	22 467	47 852

As it is evident from Table 1, which is based on available data on remittance flows, Russia is mainly a remittance sending country.

In 2021, the cumulative turnover of cross-border remittances conducted by individuals (both residents and non-residents of the Russian Federation) has increased 8.1% compared to 2020 and reached 68.7 bln US dollars.

Cross-border outflows, performed by individuals have increased 9.5% from 40.1 bln US dollars in 2020 to 43.9 bln US dollars in 2021. The average outgoing transaction amount from the Russian Federation was 401 US dollars in 2021. The average transaction amount to CIS countries totaled 234 US dollars.

In the whole volume of individuals cross-borders remittances those conducted through the payment systems are of vital importance. In the currency distribution of individual cross-border remittances the Russian ruble was 21.3% of the cumulative volume in 2021). In 2021 the remittance flows from Russia increased 17,1% compared to the same period of the previous year comprising around 8,7 bln USD (against 7,4 bln in 2020). An average transaction amount in 2021 via Payment Systems as in 2020 estimated at 273 USD.

Remittance services providers<sup>3</sup> (further – RSPs) in Russia are commercial banks, postal networks and others providers, specifically, banks are eligible to engage banking payment agents to provide transfer /remittance services.

There is a number of incentives to RSPs to promote competition including the following<sup>4</sup>:

- Improving the regulatory environment
- Development of the national payment infrastructure including Faster Payments System
- Development of the digital ruble platform
- Development and implementation of mandatory and recommended payment API standards
- Promoting the development of the institution of non-bank payment service providers

<sup>2</sup> [https://remittanceprices.worldbank.org/sites/default/files/rpw\\_main\\_report\\_and\\_annex\\_q121\\_final.pdf](https://remittanceprices.worldbank.org/sites/default/files/rpw_main_report_and_annex_q121_final.pdf)

<sup>3</sup> Mobile money service providers exist in Russia. However, Mobile Network Operators (as they are defined by the Russian Communications Law and National Payment System Law) are not regulated or supervised by the Bank of Russia as financial service provider. As such, no data is available on these service providers.

<sup>4</sup> There is no price comparison tool for remittances (e.g. a national remittances database) in Russia that is publicly available but RSPs publish fees on their web sites.

### *Use of agents by RSPs and agent exclusivity*

RSPs have the right to engage banking payment agents to provide transfer /remittance services. Requirements which banking payment agent have to comply with are stipulated in Federal law of 27 June 2011 “On the national payment system” (hereinafter Federal law No. 161-FZ). Exclusivity – matter of treaty.

*Non-bank payment service providers licensed to provide international remittance services including use of digital or mobile wallets*

The right to perform remittances have only RSPs (remittance service providers) which are licensed as credit institutions. Requirements which RSPs have to comply with to perform remittances are stipulated in 395-1 FZ “On Banks and Banking Activities” and in Federal law No. 161-FZ. But at present, in cooperation with the Bank of Russia, regulatory changes are being developed that may in the future allow the provision of special types of money transfer services in the Russian financial market to non-bank PSP (payment service providers).»

### **Access to financial services (as a sending country)**

All consumers on the territory of the Russian Federation have equal rights to access regulated financial services. Migrants as well as Russian citizens have equal access to financial services in the Russian Federation.

The difference between Russian citizens and migrants is the identification procedure requirements that are more detailed (more documents are requested). The cost of opening a translational account depends on the agreement between a bank and a client.

In Russia, credit institutions apply an identification (simplified identification) mechanism to identify customers, customer representatives, beneficiaries and beneficial owners for AML/CFT purposes based on Federal Law No. 115-FZ «On countering the legalization (laundering) of criminally obtained incomes and the financing of terrorism» (hereinafter Federal law No. 115-FZ) and Bank of Russia regulations issued in accordance with it. Russian AML/CFT legislation does not provide for any special identification mechanisms as regards individuals with migrant status or a diaspora membership.

Channels most frequently used by migrants are specified in AFI report “Interoperability of Cross-Border Remittance Systems in the EECA Region». Bank of Russia does not measure the switch from in-cash to on-line/transaction methods to send remittances.

According to the National Payment System Development Strategy of the Bank of Russia for 2021-2023 the Bank of Russia seeks to develop overall digital financial and payments services in the Russian Federation.

As to the incentives for digitalization of remittances, regarding domestic transactions starting from April 1, 2020, the Bank of Russia has charged zero-sized fees for services provided in FPS paid by FPS participants when making C2C-push transactions. The Bank of Russia determined caps for FPS banks fees applied to their clients for making P2P-transactions through the system. The new caps have been valid from May 1, 2020:

- Up to 100 000 RUB per month – free of charge,
- More than 100 000 RUB per month – up to 0.5% of the total transfer amount, but no more than 1 500 RUB per transaction.

Also there are different Interbank commissions (IBC) and maximum fees charged by credit institutions from their clients when making funds transfers from individuals to legal entities, individual entrepreneurs, and self-employed persons via the faster payments service of the Bank of Russia payment system (FPS). More information that is detailed is on the web site: [http://www.cbr.ru/eng/Psystem/payment\\_system/2021-08-18/](http://www.cbr.ru/eng/Psystem/payment_system/2021-08-18/)

The Bank of Russia obliges banks to participate in FPS.

### *Risk management practices required for RSPs*

RSPs have to comply with risk management practice as a credit institution<sup>5</sup> and have to comply with information security requirements and perform fraud risk measures<sup>6</sup>.

The Bank of Russia stipulates requirements on operation risk management for credit institutions and banking groups<sup>7</sup>. On 08 April 2020 the Bank of Russia issued Ordinance Regulation No. 716-P “On the requirements to for the operation risk management for credit institutions and banking groups”. On 25 March 2022 Bank of Russia Ordinance No 6103-U “On amendments to Bank of Russia Order of 8 April 2020 “On requirements to operational risk management in a credit institution and in a bank group” was issued. On 25 July 2022 Bank of Russia Order No 802-P “On requirements to information protection in the Bank of Russia payment system” was issued.

Part 3 of Article 27 of Federal law No 161-FZ sets information protection requirements when conducting funds transfers for funds transfers operators, bank payment agents and subagents, information exchange operators, payment applications providers, payment system operators, payment infrastructure operators and electronic platform operators. The law also stipulates the procedure how the Bank of Russia monitors compliance with information security requirements for funds transfer when supervising the national payment system including information security risk as one of operation risks in the national payment system.

Clause 19 part 1 and part 9 Article 20 of Federal law No. 161-FZ set information securities requirements for the Bank of Russia Payment System including the implemented risk management system for funds transfer via the faster payments service.

On 4 June 2020 the Bank of Russia issued Regulation Ordinance No. 719-P “On the requirements to protect information related to funds transfers and on the procedure for the Bank of Russia to control the compliance with the requirements to protect information related to fund transfers for ensuring information security in the course of funds transfer and on the Bank of Russia’s control over compliance with the requirements”.

As to specific AML/CFT regulations/guidelines available for non-bank RSPs for their relations to banks or their customers, pursuant to Article 11 of Federal Law No. 161-FZ, dated 27 June 2011, ‘On the National Payment System’, funds transfer operators are the Bank of Russia, credit institutions entitled to make funds transfers, and the State Development Corporation VEB.RF. The Bank of Russia or VEB.RF do not make funds transfers on the instructions of individuals.

The specifics of interactions between credit institutions and customers in terms of compliance with Russian AML/CFT legislation are established by Federal Law No. 115-FZ, Bank of Russia Regulations 375-P and 499-P, as well as other Bank of Russia regulations issued in accordance with Federal Law No. 115-FZ.

Furthermore, Bank of Russia Ordinance No. 5365-U, dated 23 December 2019, ‘On the Procedure for a Money Transfer Operator to Monitor the Activity of Bank Payment Agents’ provides for the measures to be taken by funds transfer operators to control compliance of bank payment agents with, inter alia AML/CFT legislation as provided for Part 8, Article 14.2 of Federal Law No. 161-FZ, dated 27 June 2011, ‘On the National Payment System’.

### **Regulatory environment**

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<sup>5</sup> Requirements are stipulated in 395-1 FZ “On Banks and Banking Activities”.

<sup>6</sup> In accordance with 161-FZ “On the National Payment System”.

<sup>7</sup> In accordance with Article 57.1 of Federal law No. 86-FZ of 10 July 2002 “On the Central Bank of the Russian Federation (Bank of Russia)” and Article 11.1-2 of Federal law No. 395-1 of 02 December 1990 “On Banks and Banking Activities”.

Prior to the transaction RSP has to inform the sender of the conditions under which the remittance is performed. Requirements are stipulated in Federal law No. 161-FZ, Article 5; additional guidance is provided in “Methodological Recommendations on Enhancing the Transparency and Ensuring the Availability of Information on Money Transfers without Opening Bank Accounts No. 10-MR, dated 2 April 2019”. There are some important regulatory norms/issues:

- RSPs have to inform the clients of the remittance conditions and provide information on whether there are additional fees for receivers prior to remittance services being provided;
- RSP has to inform the sender of the remittance conditions including the information of an exchange fee amount and determination procedure prior to the remittance services provision<sup>8</sup>;
- the domestic transfer has to be performed within 3 days.

As to the simplified customer due diligence (CDD) measures in place for specific channels and/or below a transaction amount limit, they depend on the transaction amount (such simplified procedures work for electronic money transfers).

In some cases, simplified identification<sup>9</sup> of an individual customer is possible. It may be carried out<sup>10</sup>, among other cases, for a funds transfer being made on the instructions of an individual without opening a bank account, including electronic funds, as well as when providing to an individual customer an electronic means of payment, and to make or receive a postal funds transfer in an amount up to 15,000 rubles.

Simplified identification of an individual customer is possible subject to the following concurrent conditions:

- the transaction is not subject to mandatory checks and there are no records of such involvement of the individual customer in extremism, terrorism and proliferation;
- personnel of the institution conducting money and property transactions have no suspicions that the individual customer wants to make a transaction for the purpose of ML/FT;
- the transaction is not intricate or unusual, which would suggest that it has no clear economic sense or legitimate purpose, and its execution does not suggest that its purpose is to evade mandatory check procedures.

#### *AML/CFT regulations for account opening and ongoing customer due diligence*

Institutions conducting money and property transactions are obliged to develop internal control rules for AML/CFT/CFPWMD purposes<sup>11</sup> and also they are obliged<sup>12</sup>:

- prior to accepting as a customer, to identify the customer, the customer’s representative and/or beneficiary, and to take reasonable and available measures to identify the beneficial owners of customers;
- prior to accepting as a customer and when servicing, to receive information on the purposes and intended nature of their business relations with this organisation, to take regular measures to determine the purpose of financial and economic activity, financial standing and business reputation of customers, and to take measures to determine the sources of funds and/or other property of customers;

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<sup>8</sup> Legislation of the Russian Federation does not set any additional fees and taxes to the remittance receiver.

<sup>9</sup> In accordance with Article 3 of Federal Law No. 115-FZ (the corresponding norm was introduced in 2014), simplified identification of an individual customer means a set of procedures to be made in cases specified in Federal Law No. 115-FZ, for establishing a surname, first name and patronymic (unless otherwise provided by law or national custom) of an individual customer, the series and number of their identification document, and validation of these data.

<sup>10</sup> In accordance with Clause 1.11 of Article 7 of Federal Law No. 115-FZ.

<sup>11</sup> Clause 2 of Article 7 of Federal Law No. 115-FZ.

<sup>12</sup> Article 7 of Federal Law No. 115-FZ.

- information on clients whose risk of conducting suspicious transactions is low (as defined by the financial institution internal control procedure) as well as representatives of such clients, their beneficiaries and beneficial owners, should be updated at least once in three years. In the event of doubt that the previously obtained information was trustworthy, the update should take place within seven days after such doubt has appeared;

- information on clients whose risk of conducting suspicious transactions is not considered low (as defined by the financial institution internal control procedure) as well as representatives of such clients, their beneficiaries and beneficial owners, should be updated at least once a year. In the event of doubt that the previously obtained information was trustworthy, the update should take place within seven days after such doubt has appeared;

- institutions dealing with funds and other property when on-boarding and servicing clients should assess the risk of the clients' suspicious transactions. Financial institutions should consider the results of national risk assessment, the nature and sort of the clients' activities, the nature of products used by such clients when attributing each client to a specific risk group of conducting suspicious transactions depending on the risk level that a certain client may conduct a suspicious transaction.

As part of procedures for detecting customer transactions subject to mandatory checks and transactions with regard to which suspicions arise that they are aimed at ML/FT (in accordance with Bank of Russia Regulation No. 375-P, which is an integral part of internal control procedures at credit institutions), credit institutions analyse all customer transactions in order to identify transactions with signs of ML/FT purposes, taking into account signs indicating the unusual nature of the transaction, as well as the nature, scope and key areas of activity of the credit institution and its customers.

This programme also provides for thorough checks of documents and information about the customer, their transaction and activities, about the customer representative and/or beneficiary / beneficial owner, in order to confirm the validity or dispel suspicions that the customer's transaction is conducted for the purpose of ML/FT, including the implementation of measures to clarify the nature of the transaction in terms of compliance with the objectives of the organisation's activities, the legitimacy of the transaction and its economic sense.

#### *Regulatory Sandboxes and Experimental Legal Regimes*

There are two regulatory tools, which facilitate emergence of new business models: regulatory sandbox and experimental legal regimes.

#### *Regulatory Sandbox*

The Bank of Russia launched the regulatory sandbox in April 2018. This is a mechanism for piloting and modelling processes of new financial services and technologies, which require changes in legal regulation, in an isolated environment without real customers.

The main objectives are:

- Testing innovative financial services without risks of violating Russian laws
- Analysing risks associated with innovative financial services and developing approaches for their mitigation
- Determining the expediency of the implementation of innovative financial services and creating the relevant regulatory environment.

Any organization (fintech startups, telecom & IT companies, credit and non-credit financial institutions) that has developed or plans to use an innovative financial service or technology which can not be implemented due to legal barriers can submit an application for piloting in the regulatory sandbox to the Bank of Russia.

In case of successful completion of piloting, a roadmap is developed on tailoring regulation to enable the launch of the service.



### *Experimental Legal Regimes*

In July, 2020 the Federal Law<sup>13</sup> established experimental legal regimes that enable to pilot innovative services with certain exemptions from the regulation with the participation of real customers in all spheres of the economy, including financial market.

The purpose of the experimental legal regimes mechanism is to improve legislation for the development of innovations.

This mechanism will allow innovative companies quickly implement pilot projects in order to assess the viability of the innovation and its risks. The Bank of Russia and other interested government authorities will also be able to study the risks of this innovation and refine legal mechanisms to ensure the possibility of innovative development and to minimize risks for the financial system and customers.

The Bank of Russia monitors the experimental legal regime in the field of digital innovations in the financial market, evaluates the effectiveness and efficiency of the implementation of such regime.

Any legal entity or individual entrepreneur registered in the Russian Federation will be able to submit an application for the establishment of experimental legal regime provided it meets the following criteria:

- the product is innovative (i.e. it has no analogues, or it is a significant upgrade of its analogues);
- the digital innovations have been implemented using the technologies set in Ordinance No. 5634-U, dated 25 November 2020, “On the list of technologies used for implementation, development and application of digital innovations on the financial market under experimental legal regimes in the field of digital innovations”;
- there are legal barriers preventing the launch of the digital innovation on the financial market;
- it is possible to use the digital innovation with currently available technology;
- launching the product on the market would lead to achieving significant social goals;
- the applicant has presented a reasonable assessment of socially significant risks.

The result of an experimental legal regime in the financial market is a decision on the admissibility of changes in acts of general regulation and the elimination of requirements, instructions, prohibitions, restrictions that impede the further use of digital innovation.

### **Financial incentives to promote the digitization of payment infrastructures**

As to financial incentives to promote the digitization of payment infrastructures in line with the FSB's work on enhancing cross-border payments (the Stage 3 Roadmap), under the National Payment System Development Strategy of the Bank of Russia for 2021-2023 there are a number of initiatives that go in line with the Stage 3 Roadmap, including the ISO 20022 adoption, continued compliance to global standards and elaborating regulation of non-bank service providers.

In addition to that, the Bank of Russia initiated a project aimed to develop a network of linked faster payments systems with foreign partners that will further contribute to making remittances across the region even faster, cheaper and hassle-free. This project goes in line with BBs 13, 17 of the Stage 3 Roadmap.

Maximum fees charged by a credit institution from its clients – individuals who are payees of cross-border funds transfers made by individuals to other individuals in the faster payment

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<sup>13</sup> Federal Law № 258-FZ of 31.07.2020 «On experimental legal regimes in the field of digital innovation in the Russian Federation».

service of the Bank of Russia payment system (FPS) are on the web-site: [http://www.cbr.ru/eng/Psystem/payment\\_system/tariff\\_2022-12-19\\_2/](http://www.cbr.ru/eng/Psystem/payment_system/tariff_2022-12-19_2/) .

Following the feedback received on the Consultation Paper on Digital Ruble released in October 2020, the White Paper on Digital Ruble was published in April 2021. Currently, the project is in the pilot phase. The Bank of Russia will decide whether to launch the digital ruble once the pilot is completed. The initiative goes in line with BB 19 of the Stage 3 Roadmap.

A number of federal laws laying the foundation of the regulatory environment for digital ruble transactions entered into force. The judicial status of the digital ruble was defined, the list of allowed digital ruble transactions including C2C remittances was established.

In August 2023 the Bank of Russia Board of Directors imposed tariffs for digital ruble transactions. In particular, all C2C transactions for Russian citizens shall be free of charge.

On 25 August 2023 a pilot of digital ruble transactions was launched on a limited group of users.

### **UPDATED Russia's National Remittance Plan (2024 -25).**

Russia plans to continue to fulfill commitments on the G20 Call to Action on Remittances. Therefore, Russia plans to take steps to help maintain the low cost of transferring remittances and continue to improve the availability and use of remittance services by harmonizing regulation, increasing the efficiency of payment systems infrastructure, fostering innovative low-cost products such as digital and mobile payments, increasing transparency of remittances transfers as well as consumer protection and financial literacy. These actions complemented consumer protection measures, financial literacy initiatives and engagement with migrant communities. Additional actions included national awareness campaigns, promotion of the financial literacy materials and counselling on consumer protection.

Specific actions and policy areas are below:

#### **1. IMPROVE FINANCIAL SYSTEM INFRASTRUCTURE AND PURSUE POLICIES CONDUCIVE TO HARNESSING TECHNOLOGIES.**

The Russian Federation seeks to ensure the remittance services provided on the territory of the Russian Federation to be cheap, fast, accessible and transparent, addressing the four challenges identified in the G20 Roadmap. The Russian Federation has launched the Faster Payments System and plans further improvement of its services for transactions by individuals across Russia and remittances to other countries.

The Russian Federation will continue its work on enabling the use of national payment system MIR cards including P2P-transfers abroad, which helps to make P2P-transfers to relatives and acquaintances abroad (2023).

The Russian Federation seeks to promote further cashless payments, digital financial services and remote access to financial services. These measures are to contribute to better financial inclusion. This goal has been enshrined in the National Payment System Strategy until 2023.

One of the priorities defined by the Guidelines for the Advancement of Information Security in the Financial Sector for 2023-2025 is promoting conditions for a safe implementation of digital and payment technologies. To achieve this, Bank of Russia will continue to form the conditions for implementing innovative products and services, while maintaining the environment of confidence among payment industry participants by setting cyber security standards that would ensure the continuity of money transfers, accessibility of payment services, and a reduction in financial market participants' losses caused by fraud, including social engineering.

#### **2. IMPROVE TRANSPARENCY OF REMITTANCE TRANSFERS AND CONSUMER PROTECTION.**

The key documents – Strategy for the improvement of financial literacy in the Russian Federation for 2017-2023 (approved by the Regulation of the Government of the Russian Federation № 2039-r of 25.09.2017) and the updated Roadmap of the implementation of the Strategy (for 2021-2023 ) both defined medium-term priorities, goals, objectives and lines of activities to improve financial literacy among population and to establish a system of financial education as well as provision of information on financial consumer protection. The new Strategy for Improving Financial Literacy and Developing Financial Culture until 2030 (Decree of the Government of the Russian Federation № 2958-r of 25.10.2023) is aimed at forming the key elements of financial culture among the majority of the adult population that contribute to the financial well-being of the citizen and the whole society. The new strategy significantly strengthens the issues of financial cybersecurity of consumers of financial services, which is especially relevant in the light of active technological development and widespread digitalization of business processes. The Roadmap of the implementation of the Strategy until 2030 will be approved in the first quarter of 2024.

The Bank of Russia also ensures consumer protection, provides supportive regulation; meanwhile ensuring strict control over AML/CFT compliance and data protection. The Bank of Russia will further promote appropriate regulatory, supervisory and oversight frameworks.

Ministry of Finance and Bank of Russia signed MoU with some Commonwealth of Independent States (CIS) countries on further cooperation and information exchange on financial literacy.

The Ministry of Finance of the Russian Federation organizes events on the sharing financial literacy experience and best practices for CIS countries. Among them, the sharing experience of countries on financial education for different target audiences, including youth, people in rural areas, families, MSMEs and other target groups as remittances consumers (2024-25); Exchange of educational materials and discussion of possible financial literacy joint initiatives with CIS countries to boost financial capability of population in CIS (2024). As migrants handle complex financial issues (cross border flows, different legal systems for financial operations, others), thus they may need a more targeted approach by CIS financial education policy makers.

The Guidelines for the Advancement of Information Security in the Financial Sector for 2023-2025 provide for a number of measures aimed at financial consumer protection and enhancing confidence in digital technologies. Particularly, measures to counter unauthorized transactions and social engineering include the following:

- improvement of funds protection and chargeback mechanisms;
- information exchange with the Russian Ministry of Internal Affairs using the regulator's database on actual and attempted unauthorized money transfers ;
- enhancement of credit institutions' operational risk assessment tools by adding quality parameters of anti-fraud procedures and others.

### 3. ENCOURAGE BETTER COORDINATION.

Encourage better coordination between government agencies between Russia and receiving countries as well as between respective national financial regulators and supervisors to improve the development impact of remittances.

Continue work on cooperation with Migration Services and other agencies of other countries to coordinate information for migrants on remittances and basic financial services (2024-25).

### 4. ENCOURAGE REMITTANCE-RELATED TECHNICAL ASSISTANCE AND KNOWLEDGE EXCHANGE.

Encourage remittance-related technical assistance and knowledge exchange focused on the strengthening legal and regulatory framework of RSPs, with a view on the opening of the market to innovative services and non-bank providers, to ensure safety (i.e., risk-assessments), efficiency and competitiveness of the market.

The work on the Guidelines for the development of the Russian financial market (hereinafter – the Guidelines) for 2023-2024 include the following objectives:

- arranging favorable conditions for financial consumers and investors to take reasonable decisions when using financial products, instruments and services;
- stimulating financial services providers to build up long-term strategies for higher satisfaction and loyalty of customers;
- upgrading efficiency of measures to counter misconduct and illegal activities and ensure cybersecurity for financial services (products) users.

Both Finance Ministry of the Russian Federation and the Bank of Russia would continue to participate in the knowledge exchange on remittances issues in different international foras including the 20 Global Partnership for Financial Inclusion, the CIS and other foras. The Bank of Russia also participates in ECAPI initiatives by AFI. The report “Interoperability of Cross-Border Remittance Systems in the EECA Region» with appropriate recommendations have been published recently.

The Bank of Russia is aware of financial market innovations, elaborates its approaches to global stablecoin arrangements in cooperation with FSB, CPMI and other standard setting bodies. It applies regulation to digital financial assets and currently is realizing studies on digital ruble (in line with BB19 of the Roadmap).

The Guidelines for the Advancement of Information Security in the Financial Sector for 2023-2025 provide for a number of measures aimed at improving digital financial literacy among the population that include:

- programmes for improving digital financial literacy and promoting cyber hygiene among various groups of the population, including low-income and socially disadvantaged people;
- application of the single competencies framework on financial literacy to improve digital financial literacy and promote cyber hygiene;
- posting social ads and distribution of awareness-raising content and programmes on countering social engineering and improvement of digital financial literacy among people;
- enhancement of awareness-raising work by financial institutions to make customers preserve their personal and financial data more cautiously.

#### 5. IMPROVEMENT OF THE IDENTIFICATION PROCEDURE

As new vulnerabilities are being uncovered and the best international practices are being introduced, Bank of Russia will continue to take part in the inter-agency work aimed at improving AML/CFT regulation including issues of client identification by supervised institutions.

Federal Law No. 483-FZ, dated 30 December 2021, “On amending Article 7 of the Federal Law ‘On countering the laundering of criminally obtained incomes and the financing of terrorism” was adopted with the participation of the Bank of Russia, as part of the national program “Digital Economy of the Russian Federation”. The law is aimed at improving the identification procedure, i.e. expanding the functionality of ‘delegated’ identification and extending the use of its tools to the procedure for updating the identification data of a customer / customer’s representative /beneficiary / beneficial owner.