

# Banking services in Russia

**theory and fact**

Is the banking system in Russia fully developed?

Bank services in Russia: theory and fact. Do they differ?



The differences lie in the limitations for the private sector and in prolonging bank operations for companies.

Banks are the most important link in the world of money.



- Almost everyone in the world uses or has used banking services.

All banking services can be divided into specific and nonspecific services.

Specific services include:

**deposit  
operations**



**payment  
operations**

**credit  
operations**

## Deposit operations

*are the operations of placing clients' money into the bank on deposit.*

*While keeping money for its clients, the bank pays them interest.*



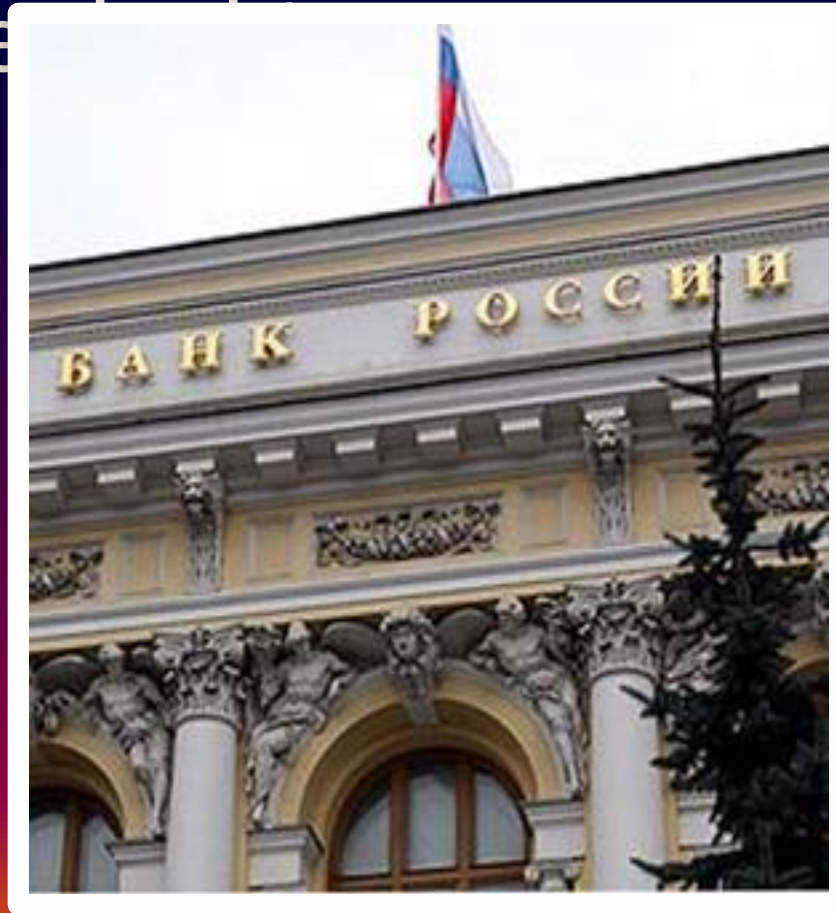
## Credit operations



are the operations of giving loans to bank clients and receiving, in exchange interest rates on those loans. Credit operations are the main operations of a bank.



Banks are financial institutions that provide services of credit.



**Payment operations by banks can be fulfilled in cash or in transfer payments. Banks can open different account numbers for their clients and can fulfill their payment orders related to buying or selling goods, paying wages, transferring tax payments and making all other important payments.**



All other services are included in non-traditional services. There are many of them, such as:

- intermediary services;
- giving guaranties and collateral;
- providing accounting help to the companies;
- presenting the clients' interests in the court;
- tourists services etc.

- In the situation of shortage, banks have had to decide how to raise their money supply. They have decided to do it in a real new Russian style: if people do not want to give them their money, the banks will force them to do it.

# The Russian banking system:



## agree in:

- definition
- deposit operations
- credit operations for companies
- non traditional operations



## differs in:

- Payment operations in private sector:
- no transferring of the money allowed
- Payment operations for companies:
- all operations through the central bank
- time delays are allowed by the law
- payments abroad are through custom checks
- Credit operations in private sector:
- maximum term of loans is 10 years
- Cash operations:
- time delays are allowed by the law
- Additional operations:
- only the central bank has the license for operations with gold, precious metals and ingots
- tax-agencies register and check currency operations

- The Russian money institute is called a banking system, so it has to conform to the standards and try to approximate the generally accepted level. As we can see from the facts, however, Russia is yet far away from the accepted standards and the real practice of the Russian banking services is different from what it should be according to the Russian law and theory of the banking system.



The government should review its banking laws if it really wants to see a stable economy in Russia.





THE END