



Bank of Russia



# NATIONAL PAYMENT SYSTEM OVERSIGHT RESULTS 2023

Moscow  
2024

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An electronic version of the report can be found on the Bank of Russia website under the section 'National Payment System' at <http://www.cbr.ru/eng/Psystem/>.

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

Photo on the cover: Shutterstock/FOTODOM

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## FOREWORD

Amid the toughening of the international sanctions, the NPS not only remained resilient but continued its development in 2023.

The NPS entities (banks, PSs, BPAs, PPs, IESOs, payment aggregators, etc.) were actively upgrading their remote banking systems, further expanding the network of payment card and contactless payment devices, and launching new promotional campaigns and loyalty programmes, thus helping provide a broad range of payment instruments and technologies to individuals and businesses.

The National Payment Card System (NSPK) ensured uninterrupted processing of payment card transactions, contributing to a further increase in the proportion of cashless payments in retail turnover that reached 83.4% as of the end of 2023.

The enhancement of the national payment infrastructure (Mir PS and FPS) helped meet households' and companies' rising demand for remote payment services and contactless payment technologies.

Over 2023, the number and volume of Mir payment card holders' transactions were up 1.6 and 1.7 times year-on-year, respectively, accounting for two-thirds of all card transactions within Russia.

As of 1 January 2024, 221 credit institutions, including all systemically important ones, were connected to the FPS. Throughout the year, the total number and volume of FPS transactions more than doubled. The number and volume of payments for goods and services via the FPS surged more than fourfold in 2023.

Within the framework of the regulation in the NPS, the legislative authorities adopted and enacted federal laws establishing fundamental legal regulation of digital ruble transactions, amended Federal Law No. 103-FZ and other laws of the Russian Federation regulating PPs' activity, including the NPS Law, and imposed a statutory ban on fees for funds transfers of up to ₺30 million per month between one person's accounts with different credit institutions. The Bank of Russia continued its efforts to integrate the newly established non-bank payment service providers into the payment market.

This publication presents the results of oversight in the NPS, main development trends in the payment services market, overview of the NPS entities' performance, operation of payment systems 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 and avenues for international cooperation on issues related to NPS oversight.

**Olga Skorobogatova**  
**First Deputy Governor of the Bank of Russia**

## ABBREVIATIONS

<b>BR PS</b>	Bank of Russia Payment System
<b>BPA</b>	bank payment agent
<b>EMP</b>	electronic means of payment
<b>Federal Law No. 103-FZ</b>	Federal Law No. 103-FZ, dated 3 June 2009, 'On the Acceptance of Payments from Individuals by Payment Agents'
<b>FPO</b>	federal post office
<b>FPS</b>	Faster Payments System, a service of the Bank of Russia Payment System developed by the Bank of Russia jointly with NSPK JSC
<b>FPSP</b>	foreign payment service provider
<b>ICI Register</b>	Register of Credit Institutions Recognised by the Bank of Russia as Important in the Payment Services Market
<b>IESO</b>	information exchange service operator
<b>Mir PS</b>	Mir payment system
<b>Law on the NPS</b>	Federal Law No. 161-FZ, dated 27 June 2011, 'On the National Payment System'
<b>Mir PS</b>	Mir payment system
<b>NPCS</b>	National Payment Card System
<b>NPS</b>	National Payment System
<b>NSPK</b>	National Payment Card System Joint Stock Company
<b>PA</b>	payment agent
<b>PAP</b>	payment application provider
<b>PP</b>	payment processor
<b>PS</b>	payment system
<b>PSO</b>	payment system operator
<b>SPFS</b>	Bank of Russia Financial Messaging System of the Bank of Russia

# 1. NATIONAL PAYMENT SYSTEM OVERSIGHT RESULTS

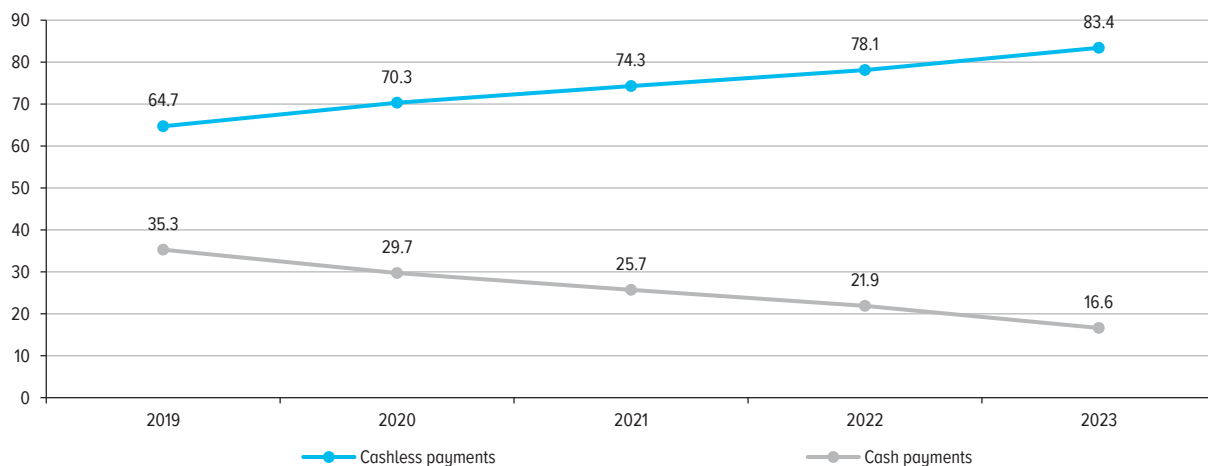
## 1.1. National Payment System in 2023

### 1.1.1. Main indicators, trends and characteristics of the development of the payment services market in 2023

The toughening of the international sanctions did not have a notable impact on funds transfers made by Russian payment service users within the country. Russian individuals and businesses could still access a wide range of payment instruments and technologies enabling payments for goods and services as usual. Furthermore, payment service providers were actively implementing innovative payment solutions, including payment applications, payment stickers, QR codes, and NFC payments. As a result, the proportion of cashless payments in retail turnover continued to increase, reaching 83.4% in 2023 against 78.1% in 2022 (Figure 1).

SHARE OF CASH AND CASHLESS PAYMENTS IN RETAIL TURNOVER (%)

Figure 1



Source: Bank of Russia.

The payment infrastructure was developing, thus helping meet the rising demand for payment services. As of 1 January 2024, credit institutions operated 143,900 ATMs, 4.1 million POS terminals, and 454,100 cashless payment terminals.

In addition to the network of payment card devices, individuals and businesses could also use 129,900 cash registers and payment terminals of payment agents (subagents), as well as 323,400 cash registers and cash machines of bank payment agents (subagents) whose infrastructure was used to improve the accessibility of payment services for individuals, including those in remote, sparsely populated and hard-to-reach localities.

Banks provide a range of payment services to clients using smart devices<sup>1</sup> that are in high demand as they ensure convenient, secure and fast payments, e.g. through payment applications supporting payments using a smartphone (pay solutions).

### BRPS

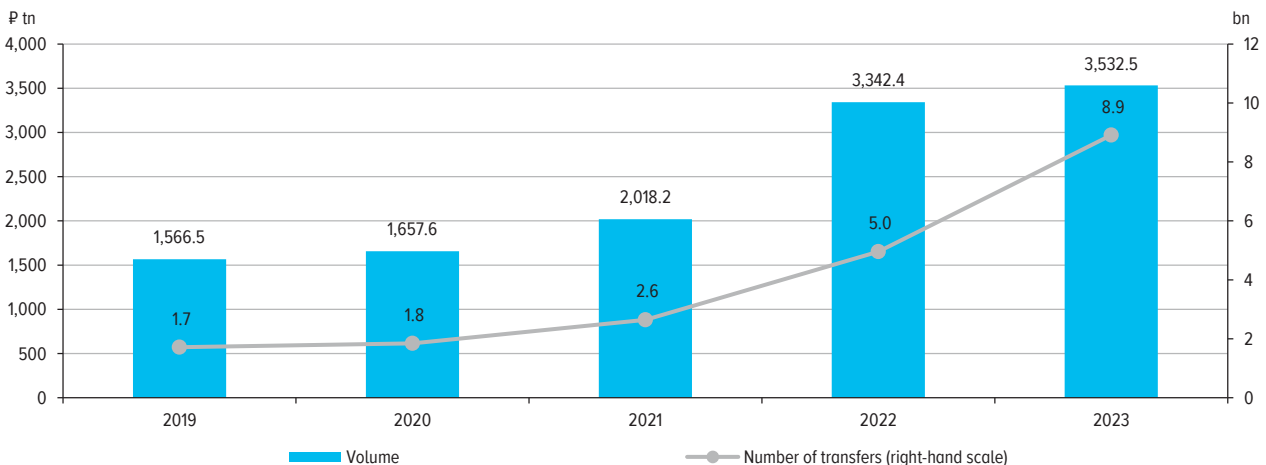
In 2023, the BRPS processed 8.9 billion funds transfers totalling ₺3,532.5 trillion, which is 1.8 times and 5.7% more, respectively, compared to 2022 (Figure 2). On average, the BRPS processed 26.8 million funds transfers with the total volume of ₺14.3 trillion daily.

Transfers using the speedy funds transfer service made up the highest percentage (89.9%) of the total volume, and transfers via the FPS dominated the overall number of such transactions (80.0%).

In 2023, owing to a comprehensive approach to organising smooth functioning of the BRPS and implemented response measures to address significant risks, the Bank of Russia ensured smooth functioning of its PS, including when conducting the Federal Treasury's operations in the Treasury Single Account.

FUNDS TRANSFERS IN THE BRPS

Figure 2



Source: Bank of Russia.

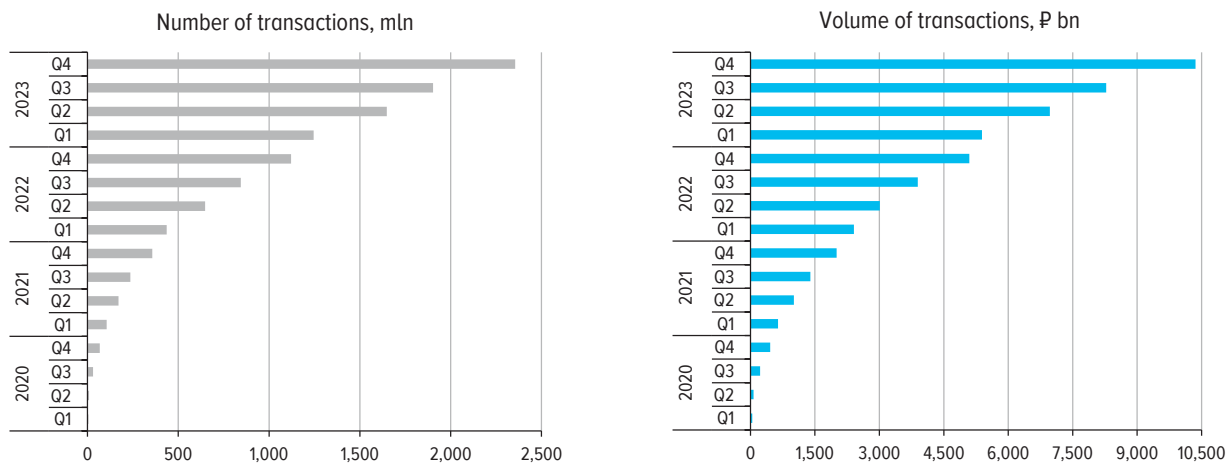
The FPS has become considerably more important in the payment market as a convenient and common cashless payment solution. In 2023, the Bank of Russia continued to expand its functions and launch new services.

As of 1 January 2024, 221 credit institutions were connected to the FPS. One in two Russian residents made funds transfers and one in three paid for goods and services through the FPS. The number and volume of FPS transactions are continuously growing: over 2023, they increased 2.4 and 2.2 times year-on-year, respectively (7.2 billion transactions worth ₺31.0 trillion) (Figure 3).

<sup>1</sup> Smart devices for payments are payment applications or other solutions that a client may use upon a credit institution's consent to prepare information that is sufficient to make a funds transfer without issuing a funds transfer instruction (specifying payment details) by the client and transmit this information to the credit institution (e.g. payment applications, voice assistants, chat bots, etc.).

## NUMBER AND VOLUME OF THE FPS TRANSACTIONS

Figure 3



Source: Bank of Russia.

As of the end of 2023, the FPS supported C2C<sup>2</sup> (including C2C-pull<sup>3</sup>), C2B,<sup>4</sup> B2C,<sup>5</sup> B2B<sup>6</sup> and C2G<sup>7</sup> transactions.

Since the system is easy to use, it is becoming increasingly popular. The FPS can be accessed through a number of remote banking channels. The largest credit institutions have to provide access to the FPS in both their mobile applications and via web interfaces. Clients may, at their own discretion, set up automatic bill payments linked to a bank account and use NFC payments or QR codes. Another reason for the rising popularity of the FPS was the launch of the loyalty programme enabling a cashback for payments.

Businesses benefited from low fees and the convenience and speed of payments made through the FPS. As a result, the number and volume of C2B transactions surged 4.5 and 4 times, respectively, compared to 2022 (1.6 billion purchases totalling ₽3.0 trillion). Over 2023, the number of merchants accepting payments via the FPS soared 2.7 times, reaching 1.5 million, compared to 559,000 as of the end of 2022.

As part of the enhancement of the fee regulation, in 2023, the Bank of Russia Board of Directors approved the following decisions:<sup>8</sup> given the social importance of payments for housing and utility services, from 1 May 2023, the Bank of Russia reduced the rates and maximum fees for such payments made via the FPS:

- the maximum fee for a funds transfer charged by a bank from the payee equals 0.2% of the transfer amount, but may not exceed ₽10;
- the interbank fee equals 0.1% of the transfer amount, but may not exceed ₽5; and
- individuals' funds transfers remain fee-free.

<sup>2</sup> C2C (customer-to-customer) – individuals' payments to individuals initiated by payers.

<sup>3</sup> C2C-pull (customer-to-customer pull) – individuals' payments to individuals initiated by payees.

<sup>4</sup> C2B (customer-to-business) – individuals' payments to legal entities.

<sup>5</sup> B2C (business-to-customer) – legal entities' payments to individuals.

<sup>6</sup> B2B (business-to-business) – legal entities' payments to legal entities.

<sup>7</sup> C2G (customer-to-government) – individuals' payments to the government.

<sup>8</sup> Decisions of the Bank of Russia Board of Directors, dated 17 March 2023 and 22 December 2023.

From 1 May 2024, a zero fee for funds transfers of up to ₺30 million per month between one person's accounts (Me2Me) was established by law. The maximum fee charged by a bank from an individual for Me2Me transfers above the said limit is set at 0.5% of the amount exceeding the limit and may not be higher than ₺1,500 per transfer.

In addition, from 1 May 2024, banks may not charge a fee for FPS transfers made by individuals to other individuals holding accounts with other banks within the limit of ₺100,000 per calendar month. For funds transfers above this limit, the maximum fee is set at 0.5% of the transfer amount exceeding the limit of ₺100,000 per calendar month and may not be higher than ₺1,500 per transfer.

The Bank of Russia's zero fees for banks for all C2C transfers via the FPS were extended for an unlimited period.

### ***Payment card market***

Payment cards remain a popular payment instrument among individuals. As of 1 January 2024, the overall number of payment cards issued by Russian credit institutions increased by 13.3% year-on-year, to reach 449.3 million, which equals 3.1 cards per individual.

As of the end of 2023, the number and volume of payment card transactions in and outside Russia rose by 9.3% and 10.6%, respectively, year-on-year to reach 76.0 billion transactions worth ₺171.7 trillion. Cashless transactions made up the highest percentage, with their number and volume amounting to 97.4% and 79.5%, respectively. The proportion of cash withdrawals using cards continued to decrease in terms of their number, specifically from 3.1% in 2022 to 2.6% in 2023, while remaining nearly the same in terms of their volume, namely 20.5% (vs 20.3% in 2022).

The upward trend in card payments for goods and services was recorded in almost all constituent entities of the Russian Federation, significantly exceeding the dynamics of cash withdrawals. The number of regions where such payments made in the regional infrastructure exceeded 95% of the total number of payment card transactions increased from 32 in 2022 to 46 in 2023. Payments for goods and services accounted for more than 50% of the total volume of payment card transactions in 43 regions vs 37 regions in 2022.

### ***Mir PS***

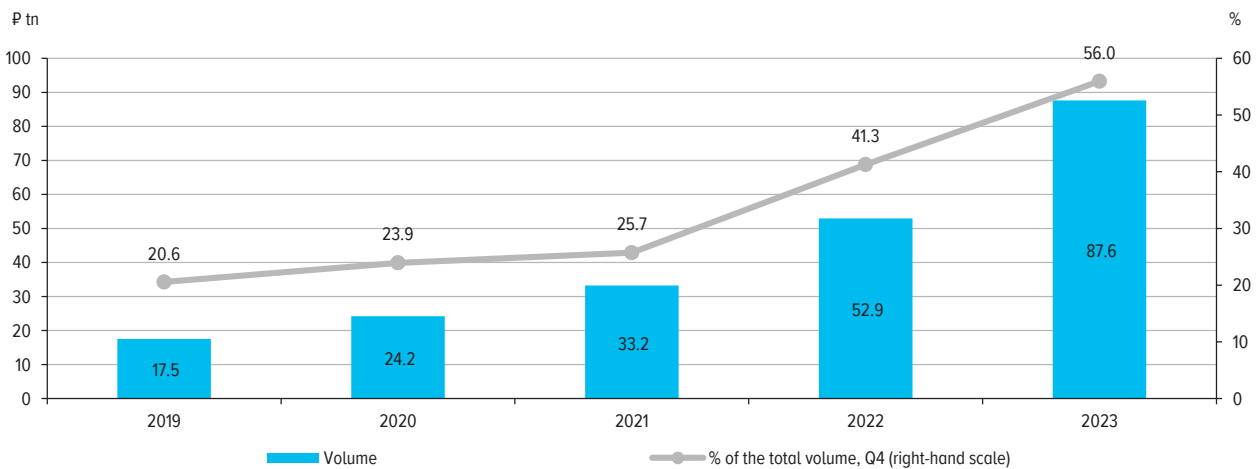
The number of Mir payment cards grew 1.6 times to reach 287.3 million as of 1 January 2024. Their share in the total number of issued payment cards increased to 55.0%, with each Russian resident holding two Mir payment cards on average.

In 2023 two thirds of all domestic card transactions were made by means of Mir payment cards. In 2023 such transactions totalled ₺87.6 trillion, which is 1.6 times more in number and 1.7 times more in volume as compared to 2022. On average, Mir payment card holders made 102.0 million payments for goods and services, 3.7 million cash withdrawals, and 19.6 million other transactions, including card-to-card funds transfers, daily (compared to 62.7 million, 3.1 million and 14.8 million, respectively, in 2022). The share of national payment instruments increased to 56.0% of the total volume of card transactions conducted within Russia (vs 41.3% in Q4 2022) (Figure 4). Payments for goods and services accounted for over 80% of the total number of Mir payment card transactions.



## MIR PAYMENT CARD TRANSACTIONS WITHIN RUSSIA

Figure 4



Source: Bank of Russia.

In 2023, the Mir PS continued to develop the cashback loyalty programme for its users, with the number of Mir payment cards registered in the programme soaring from 66 million as of the end of 2022 to 138 million as of the end of 2023.

The credit institutions whose clients could make payments using the contactless mobile payment application Mir Pay numbered 169 in 2023, up from 149 in the previous year.

Nearly all (86) constituent entities of the Russian Federation enabled payments for public land transport using Mir payment cards, and seven cities – for the metro.

Projects aimed at providing non-financial services based on Mir payment cards were actively developing. As of the end of 2023, 33 constituent entities of the Russian Federation implemented the projects of social cards and resident cards based on the Mir PS (vs 28 regions in 2022). On 1 June 2023, an experiment to test use of Mir PS-based virtual social cards for transport services was launched.

In 2023, the Mir PS scaled up the scheme allowing payments for certain types of goods and services using electronic certificates for a number of population groups. This step made it considerably easier for them to purchase socially important goods and services, and in particular to make payments and receive compensations from the government.

### SPFS

SPFS became the main channel for exchanging financial data in the course of performing settlements across correspondent accounts within Russia. The total number of messages sent through SPFS doubled compared to 2022.

According to the Decision of the Bank of Russia Board of Directors aimed at reducing risks, from 1 October 2023, all Russian banks are obliged to use SPFS or similar Russian systems for sending financial messages when conducting transactions within Russia.

### 1.1.2. Key changes in the NPS regulation

As part of the efforts to improve relations in the NPS, in 2023, the authorities adopted and enacted federal laws (except for certain provisions) setting the fundamentals of the legal regulation of digital ruble transactions. The legislation defined the legal status of the digital ruble, including the list of permitted digital ruble transactions. Furthermore, the Bank of Russia adopted regulations that, among other things, established rules for the digital ruble platform and expanded the range of funds transfer methods to include digital ruble transactions.

In order to promote the conditions enabling individuals to freely transfer their funds, the authorities amended Federal Law No. 395-1, dated 2 December 1990: from 1 May 2024, banks may not charge fees for funds transfers of up to ₹30 million per month between one person's accounts with different credit institutions.

In 2023, the legislative authorities amended Federal Law No. 103-FZ and other laws of the Russian Federation, including the NPS Law, aiming to tighten the requirements for PPs, enable self-regulation of the market of payment acceptance services rendered to individuals, and establish the Bank of Russia's powers to control PPs' compliance with Federal Law No. 103-FZ and related Bank of Russia regulations as well as to maintain the PP register and remove the information on a legal entity from the PP register for predetermined reasons, in accordance with the procedure and within the period stipulated by relevant Bank of Russia regulation.

The authorities issued regulations enabling the Bank of Russia to exercise its powers to apply enforcement measures to electronic platform operators for a failure to comply with the NPS Law and related Bank of Russia regulations, as well as enhancing the regulation of PSOs' activities with regard to ensuring smooth functioning of PSs. In particular, these regulations updated the requirements for risk management, for smooth functioning of the PS given the accumulated experience in implementing the respective requirements, and for identification by PSOs of events causing suspension of payment infrastructure services.

In addition, the amendments to the NPS Law authorise the Bank of Russia to regulate the provision of EMP and transactions with EMP, and expand the Bank of Russia's powers to oversee the NPS.

To ensure the stability of the NPS and enhance the transparency of the NPS entities, the Bank of Russia issued the following methodological recommendations:

- for funds transfer operators on how to organise communication with IESOs, including for the purpose of detecting unlawful practices in the payment services market; and
- for credit institutions and payment aggregators on settlements with merchants with regard to transactions conducted using EMP in order to reduce risks of suspicious transactions being concealed.

In accordance with the [NPS Development Strategy for 2021–2023](#), the authorities continued developing a legal framework for the integration of the newly established non-bank payment service providers into the Russian payment market in addition to banks and non-bank credit institutions.

## 1.2. Oversight in the National Payment System

### 1.2.1. NPS entities

#### 1.2.1.1. Important payment systems

##### ***Payment systems' systemic and social importance***

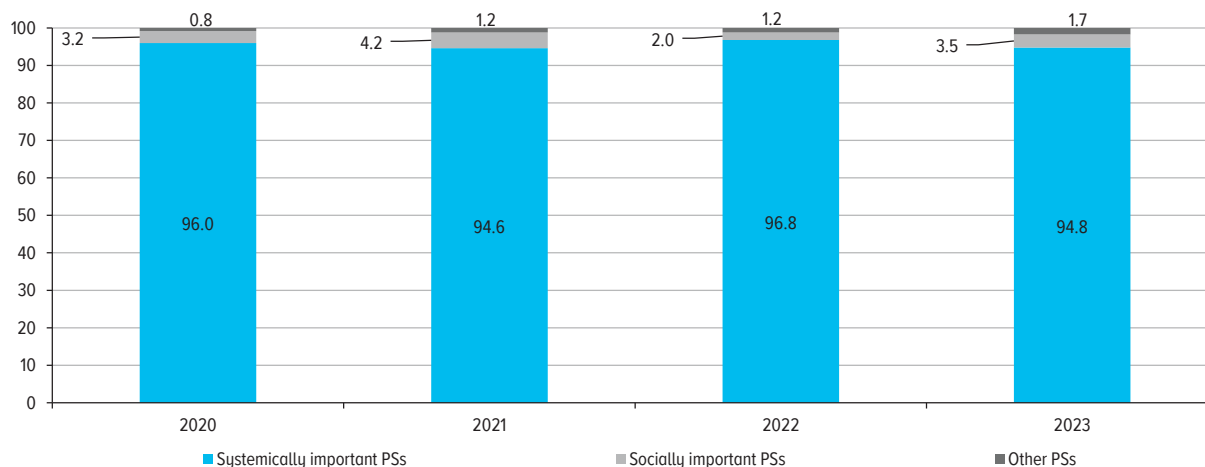
In 2023, systemically important PSs, as before, processed the majority of all funds transfers made via all PSs (Figure 5).

Funds transfers in Russian rubles processed by socially important PSs in 2023 accounted for 98.8% of the overall amount of funds transfers, as compared to 94.9% in 2022, which is in line with the trend towards a decrease in the use of foreign currencies in funds transfers (Figure 6).

The composition of important PSs changed in 2023 because, based on the results of 2022, the Bank of Russia decided to qualify another three PSs as systemically important. The decision was made as part of the quarterly and annual monitoring<sup>9</sup> carried out by the Bank of Russia to assess PSs' compliance with the systemic and social importance criteria stipulated by Article 22 of the NPS Law and the values of these criteria specified by Bank of Russia Ordinance No. 4443-U.<sup>10</sup>

STRUCTURE OF FUNDS TRANSFERS WITHIN SYSTEMICALLY IMPORTANT, SOCIALLY IMPORTANT AND OTHER PSs (%)

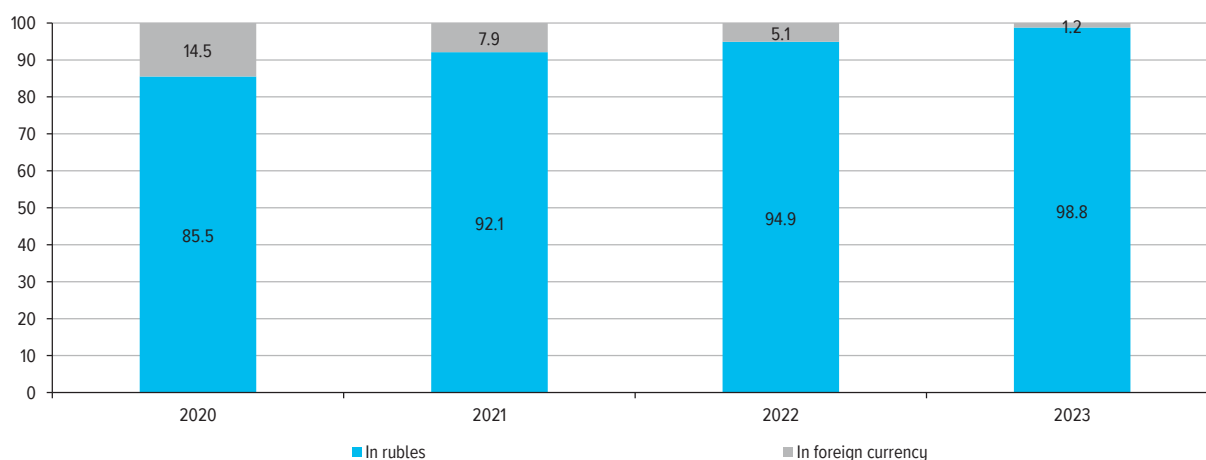
Figure 5



Source: Bank of Russia.

<sup>9</sup> Based on PSOs' and credit institutions' reporting on various types of funds transfers (e.g. with use of payment cards, without opening bank accounts (including e-money transfers), and across bank accounts of individuals and legal entities that are not credit institutions).

<sup>10</sup> Bank of Russia Ordinance No. 4443-U, dated 3 July 2017, 'On Setting Values of Criteria for Qualifying Payment Systems as Important'.

STRUCTURE OF FUNDS TRANSFERS IN RUBLES AND FOREIGN CURRENCY MADE WITHIN SOCIALLY IMPORTANT PSs (%) *Figure 6*

Source: Bank of Russia.

Thus, there were two systemically important PSs and four socially important PSs operating in the Russian Federation in 2023.

The systemic and social importance criteria set for PSs and the values of these criteria were recognised by the Bank of Russia as relevant and not requiring any changes.

### **National importance of payment systems**

A nationally important payment system should comply with the following criteria: the Russian Federation, the Bank of Russia, and Russian citizens have direct or indirect control over PSOs and payment infrastructure service operators, except for the payment system's settlement centre; and the system uses information technologies that meet the requirements set by the Bank of Russia upon agreement with the Government of the Russian Federation.<sup>11</sup>

As of 1 January 2024, 12 PSs out of 15 nationally important PSs were recognised as nationally important by the Bank of Russia and three of them were qualified as nationally important pursuant to Article 22, Part 14 of the NPS Law.

#### **1.2.1.2. Credit institutions recognised as important in the payment services market**

The Bank of Russia determines whether credit institutions comply with the regulator's criteria<sup>12</sup> of importance in the payment services market on an annual basis,<sup>13</sup> relying on the reporting submitted by the credit institutions to the Bank of Russia.

Credit institutions recognised by the Bank of Russia as important in the payment services market are included in 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 2023, the Bank of Russia included 19 credit institutions in the ICI Register (compared to 2022, one new credit institution was included in the Register and

<sup>11</sup> 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'.

<sup>12</sup> In accordance with 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'.

<sup>13</sup> By 1 April of the year following the reporting calendar year.

four credit institutions, previously recognised as important in the payment services market, were not included).

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

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

## 1.2.2. Results of monitoring the NPS entities and their payment services

### 1.2.2.1. Monitoring of bank payment agents and payment agents

In exercising its power to oversee the NPS, the Bank of Russia carries out annual monitoring of the activities of BPAs engaged by funds transfer operators in accordance with Article 14 of the NPS Law and the activities of PAs providing payment processing services pursuant to the requirements of Federal Law No. 103-FZ.

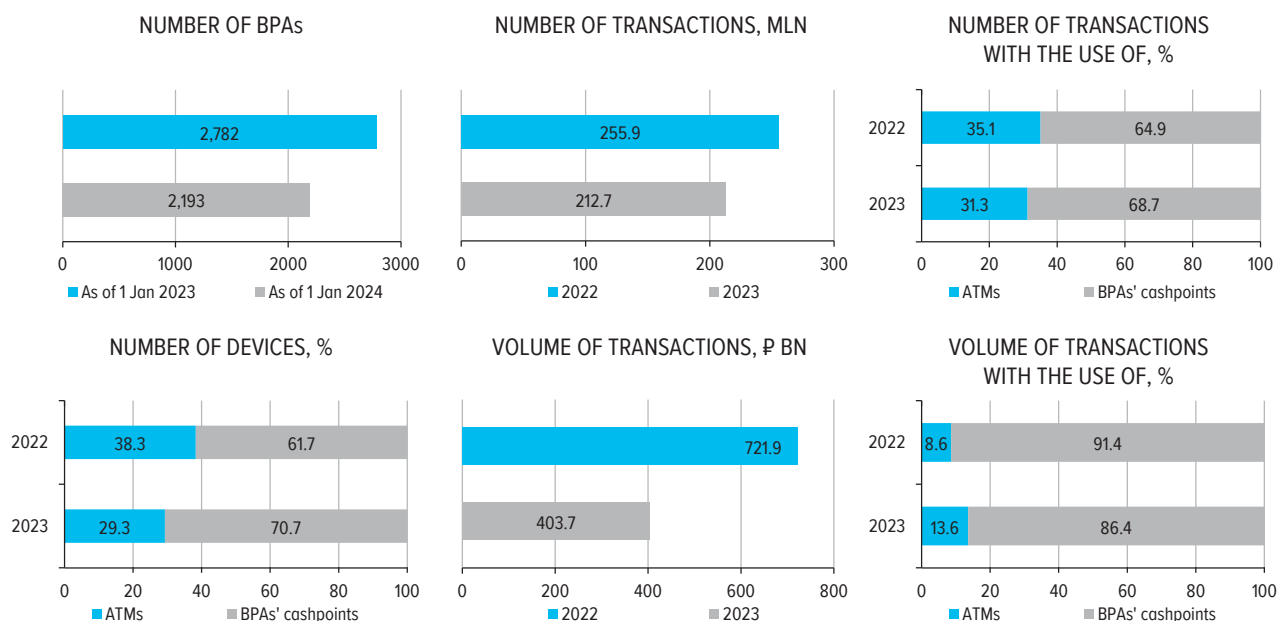
#### BPAs

As of 1 January 2024, BPAs numbered 2,193<sup>14</sup> (vs 2,782 as of 1 January 2023). Over 2023, BPAs conducted 212.7 million transactions totalling ₹403.7 billion<sup>15</sup> (Figure 7). Compared to 2022, the number and volume of transactions decreased by 16.9% and 1.8 times, respectively. The reduction was associated with a decline in funds transfers via BPAs to individuals abroad and the development of credit institutions' remote banking channels.

The average volume of a transaction dropped 1.5 times from ₹2,821 in 2022 to ₹1,898 in 2023.

BPAs' TRANSACTIONS

Figure 7



Source: the Bank of Russia's monitoring.

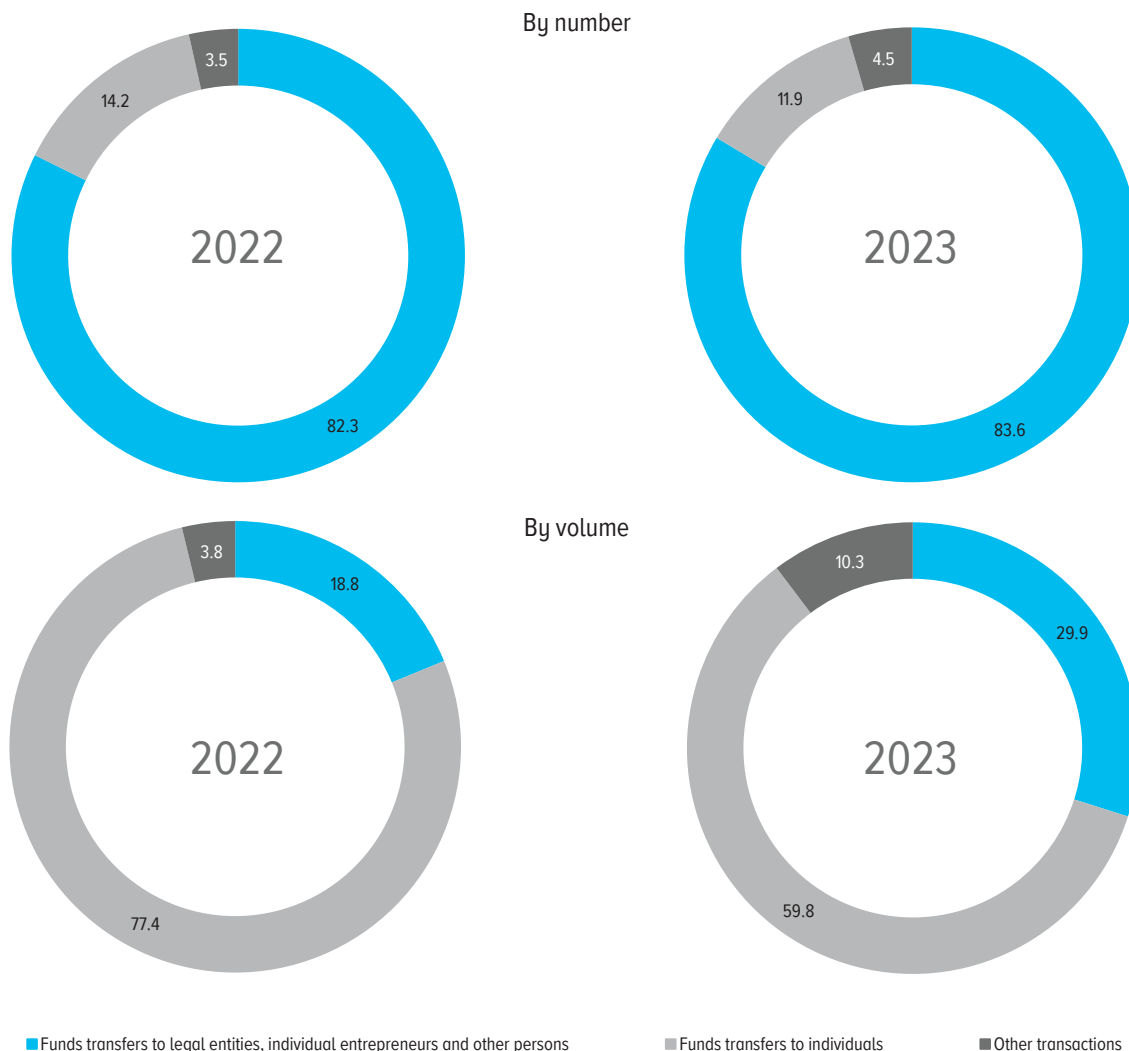
<sup>14</sup> Based on data from Reporting Form 0409260 'Information on Points of Provision of Payment Services Provided by Credit Institutions and Bank Payment Agents (Subagents)'.  
<sup>15</sup> Based on data from Reporting Form 0409256 'Information on Operations of Bank Payment Agents (Subagents)'.

The structure of transactions executed by BPAs in 2023 remained almost the same as in 2022 (Figure 8):

- the number of funds transfers to legal entities, individual entrepreneurs and other persons<sup>16</sup> processed by BPAs made up the highest percentage, specifically 83.6%, with the volume of these transactions accounting for 29.9%;
- funds transfers to individuals accounted for 11.9% of the total number, while the volume of these transactions made up the highest percentage, namely 59.8%; and
- the number and volume of other funds transfers made up as little as 4.5% and 10.3% of BPAs' transactions, respectively.

STRUCTURE OF BPAs' TRANSACTIONS  
(%)

Figure 8



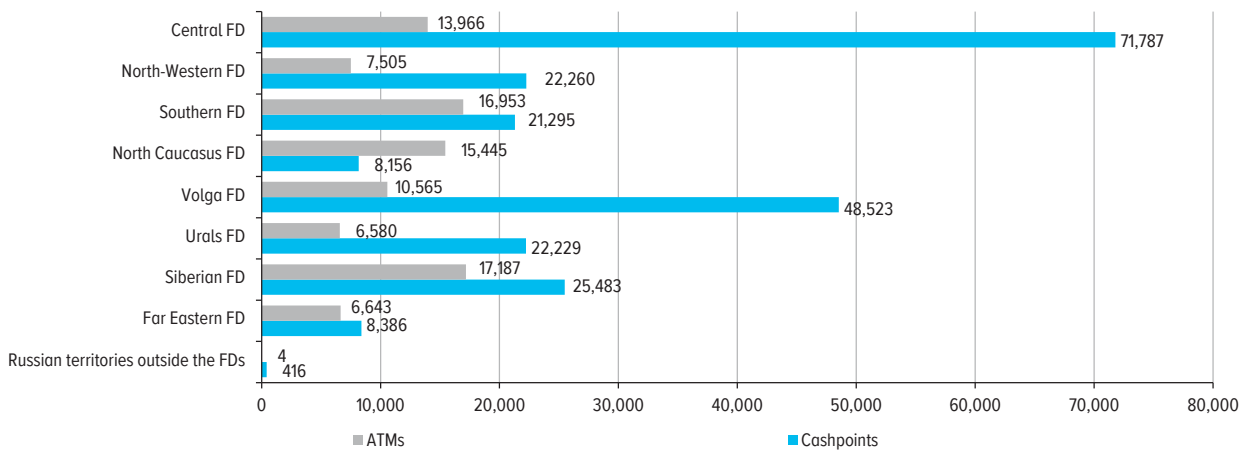
Source: the Bank of Russia's monitoring.

<sup>16</sup> 'Other persons' refers to persons engaged in private practice in accordance with the procedure established by Russian law, including notaries and lawyers who have opened a private practice for the purposes of performing payments for goods, works and services.

Figure 9 shows the availability of equipment in BPAs' infrastructure across the federal districts. BPAs carry out operations in all federal districts of the Russian Federation and in the territories of the Russian Federation outside the federal districts, with the Central Federal District accounting for the largest number of BPAs' devices and the Far Eastern Federal District and the territories of Russia outside the federal districts – for the smallest number. Cashpoints prevail in BPAs' infrastructure.

AVAILABILITY OF EQUIPMENT IN BPAS' INFRASTRUCTURE ACROSS THE FEDERAL DISTRICTS  
(BY NUMBER)

Figure 9



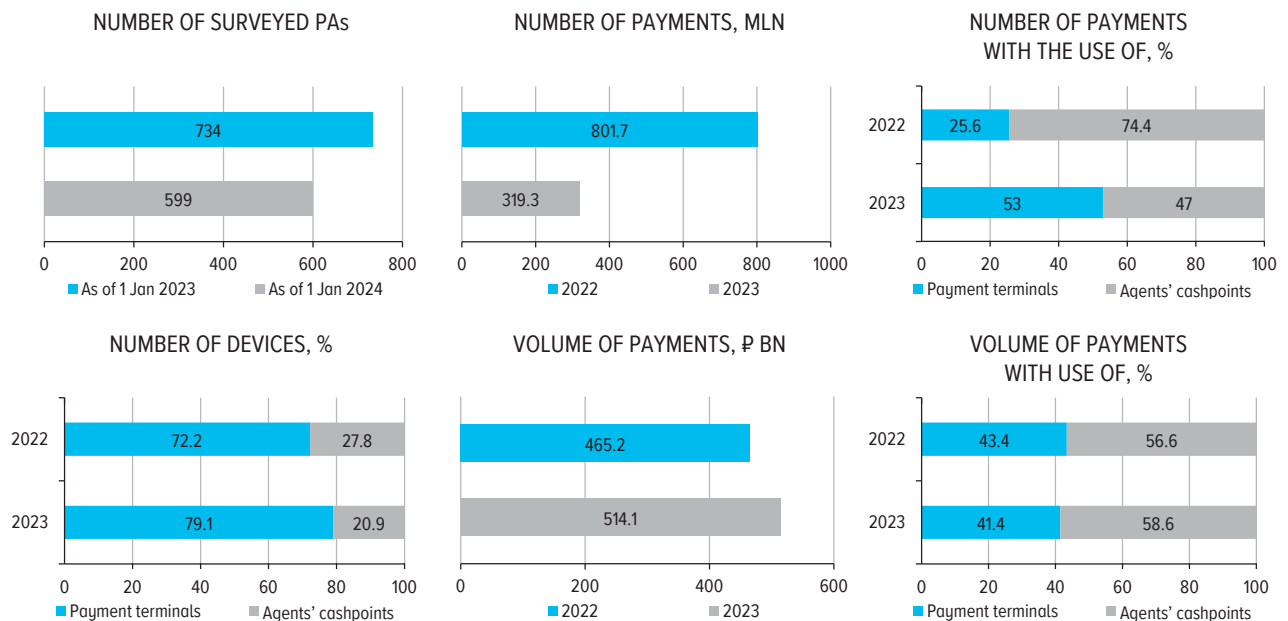
Source: the Bank of Russia's monitoring.

**PAs that are payment processors**

Over 2023, 599 PAs processed 319.3 million payments from individuals totalling ₹514.1 billion (Figure 10). Compared to 2022, the number of payments accepted by PAs decreased by 60.2%, whereas their volume was up by 10.5%.

PAS' PAYMENTS

Figure 10

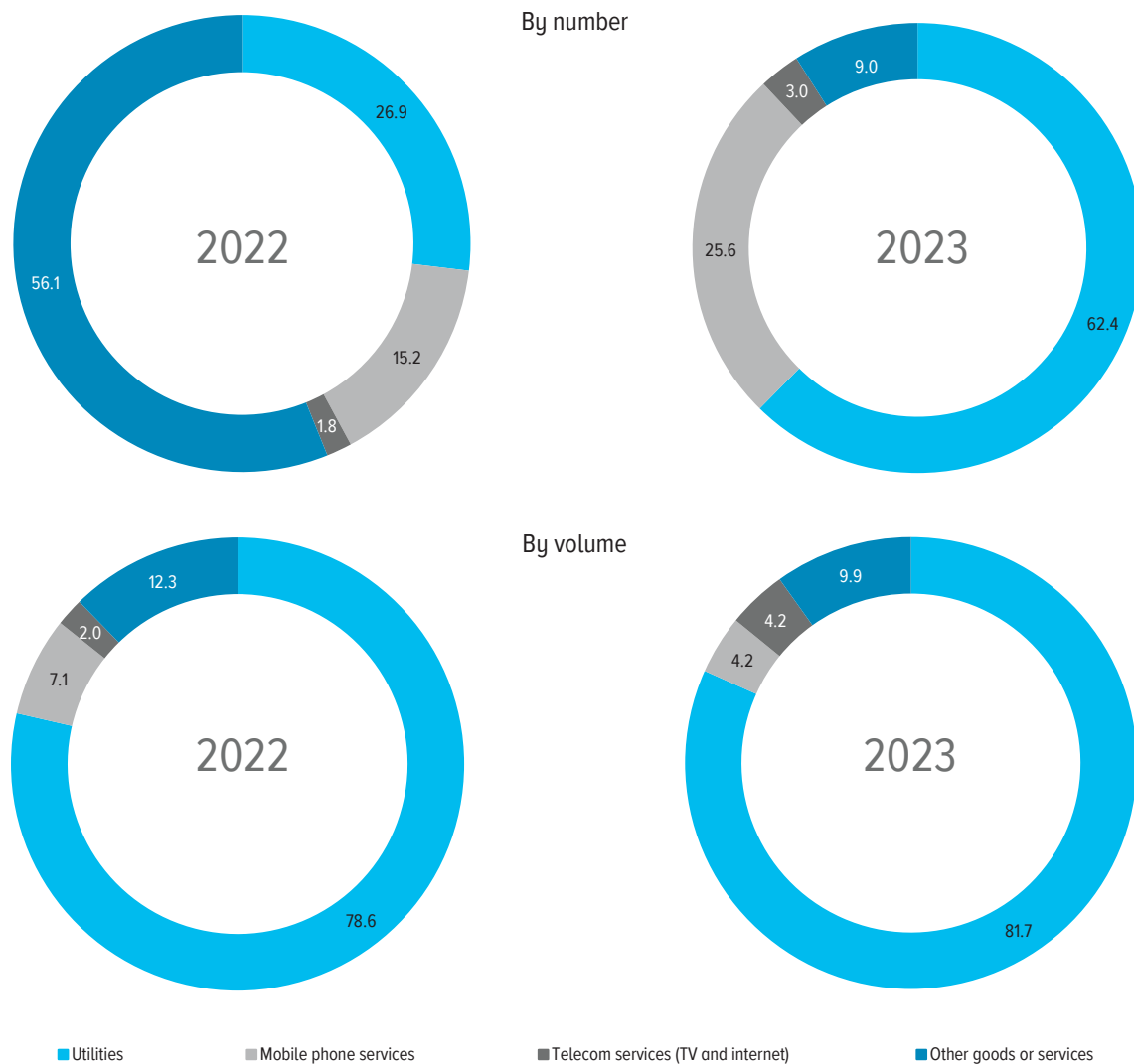


Source: the Bank of Russia's monitoring.

Although the number of payments accepted by PAs declined, their total and average volume were up, which was largely associated with consistently high demand among households for making payments via PAs for utilities and mobile phone services, as well as higher prices for these services (Figure 11).

STRUCTURE OF INDIVIDUALS' PAYMENTS PROCESSED BY PAS (%)

Figure 11



Source: the Bank of Russia's monitoring.

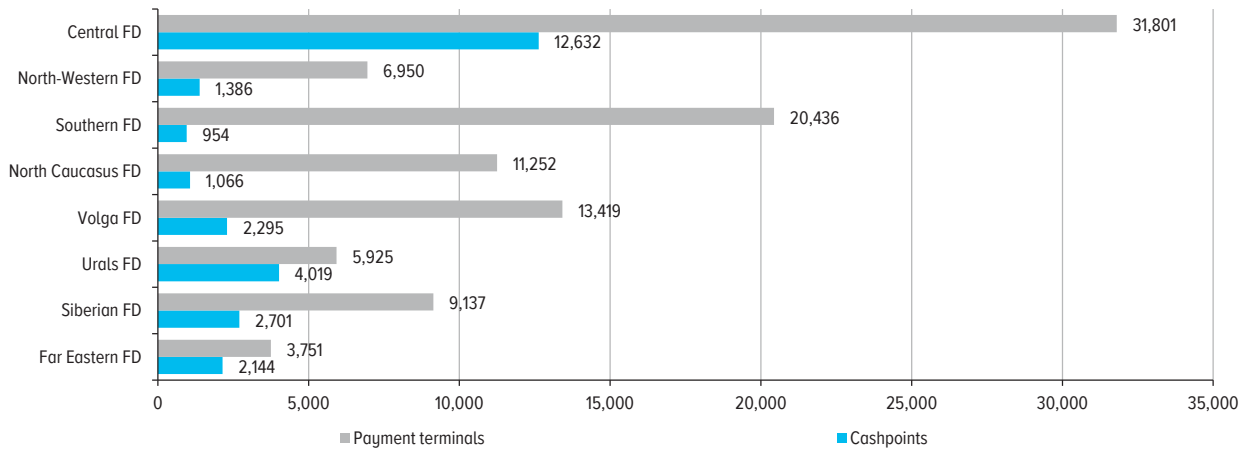
Figure 12 shows the availability of equipment in PAs' infrastructure across the federal districts. All federal districts of the Russian Federation have PA infrastructure, with the Central Federal District accounting for the largest number of PAs' devices and the Far Eastern Federal District accounting for the smallest number. Payment terminals prevail in PAs' infrastructure in all federal districts of the Russian Federation.

Generally, in 2023, individuals demonstrated high demand for BPAs' and PAs' services, just as in previous years. As a result, these entities have retained their positions in the payment services market.



AVAILABILITY OF EQUIPMENT IN PAs’ INFRASTRUCTURE ACROSS THE FEDERAL DISTRICTS  
(BY NUMBER)

Figure 12



Source: the Bank of Russia's monitoring.

**1.2.2.2. Monitoring of payment services provided by federal post offices, including services provided in the capacity of bank payment agents and payment agents**

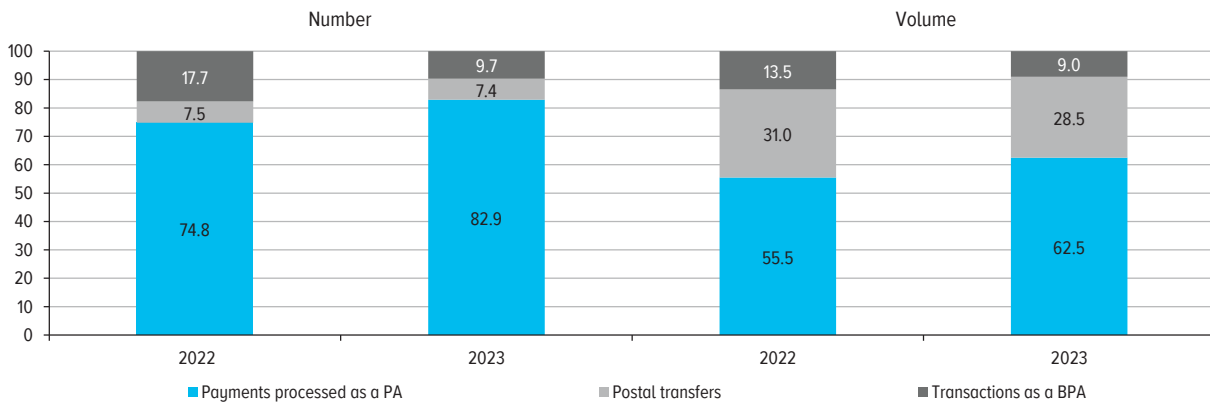
Federal post offices include offices of JSC Russian Post, FSUE Post of Crimea, and new entities included in the list of FPOs in accordance with Directive of the Government of the Russian Federation No. 1432-r, dated 31 May 2023.<sup>17</sup>

As of the end of 2023, FPOs in all federal districts of the Russian Federation numbered more than 42,000, with over 40,000 of them providing payment services (please see Annex 1).

The structure of payment services provided by FPOs remained generally the same as in 2022, whereby payment processing operations conducted in the capacity of PAs accounted for the largest share both by number (82.9% in 2023 vs 74.8% in 2022) and by volume (62.5% in 2023 vs 55.5% in 2022) (Figure 13).

STRUCTURE OF PAYMENT SERVICES PROVIDED BY FPOs  
(%)

Figure 13



Source: the Bank of Russia's monitoring.

<sup>17</sup> Directive of the Government of the Russian Federation No. 1432-r, dated 31 May 2023, 'On the List of Federal Post Offices Providing Universal Postal Services Pursuant to the Licences Issued to Them'.

**Postal transfers by FPOs**

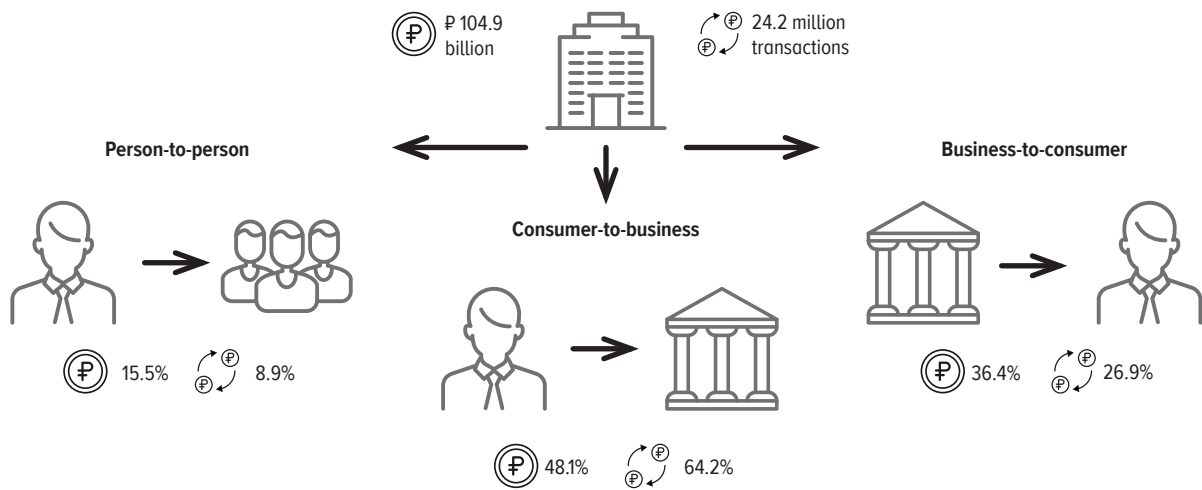
In 2023, FPOs processed 24.2 million postal transfers totalling ₺104.9 billion made in the Russian Federation, which is 13.1% and 13.8% less, respectively, than in 2022. The average postal transfer edged down in volume from ₺4,372 in 2022 to ₺4,338 in 2023.

Furthermore, over 4 million postal transfers worth more than ₺16 billion were performed in 2023 with the use of payment cards.

Individuals’ postal transfers to legal entities prevailed in the structure of postal transfers processed by FPOs in 2023 (Figure 14), with their number and volume accounting for 64.2% and 48.1% in 2023, compared with 63.8% and 51.1%, respectively, in 2022.

STRUCTURE OF POSTAL TRANSFERS IN 2023

Figure 14

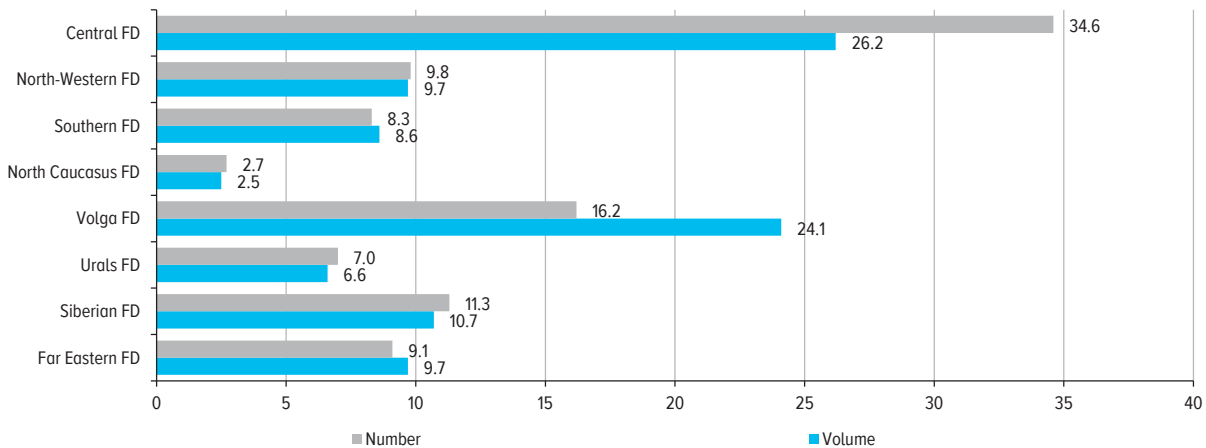


Source: the Bank of Russia’s monitoring.

The Central Federal District had the biggest share in the postal transfers (Figure 15), accounting for 34.6% by number and 26.2% by volume in 2023 (vs 37.1% and 28.9%, respectively, in 2022).

POSTAL TRANSFERS PERFORMED IN RUSSIA, BY FEDERAL DISTRICT (%)

Figure 15



Source: the Bank of Russia’s monitoring.

The North Caucasus Federal District accounted for the smallest share in the postal transfers, with their number and volume making up 2.7% and 2.5% in 2023, while in 2022, each of these indicators equaled 2.7%.

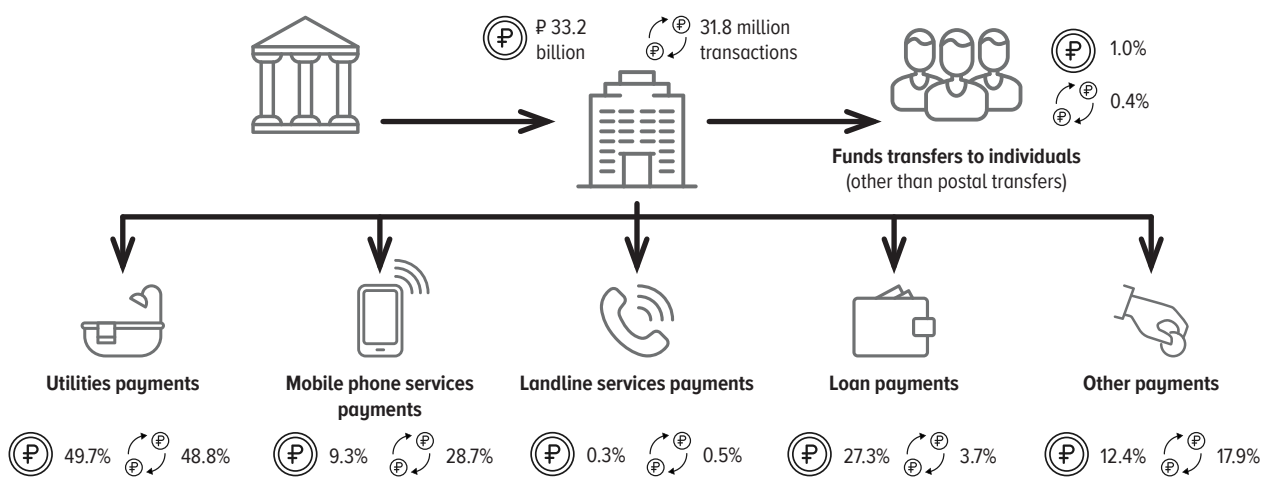
**Transactions processed by FPOs in the capacity of BPAs**

In 2023, transactions processed by FPOs as a BPA numbered 31.8 million and amounted to ₹33.2 billion, which is 51.2% and 37.5% less, respectively, as compared to 65.1 million transactions worth ₹53.1 billion in 2022. The reduction in such transactions was associated with individuals’ choice to pay for utilities, which have the largest share in these transactions, in a cashless form via credit institutions. The average payment amount increased from ₹816 in 2022 to ₹1,044 in 2023.

The structure of transactions processed by FPOs as a BPA in 2023 remained nearly the same as in 2022. Payments for utility services accounted for the largest number (48.8%) and volume (49.7%) of transactions (vs 69.2% and 70.8%, respectively, in 2022) (Figure 16).

STRUCTURE OF FUNDS TRANSFERS PROCESSED BY FPOS IN THE CAPACITY OF BPAs IN 2023

Figure 16

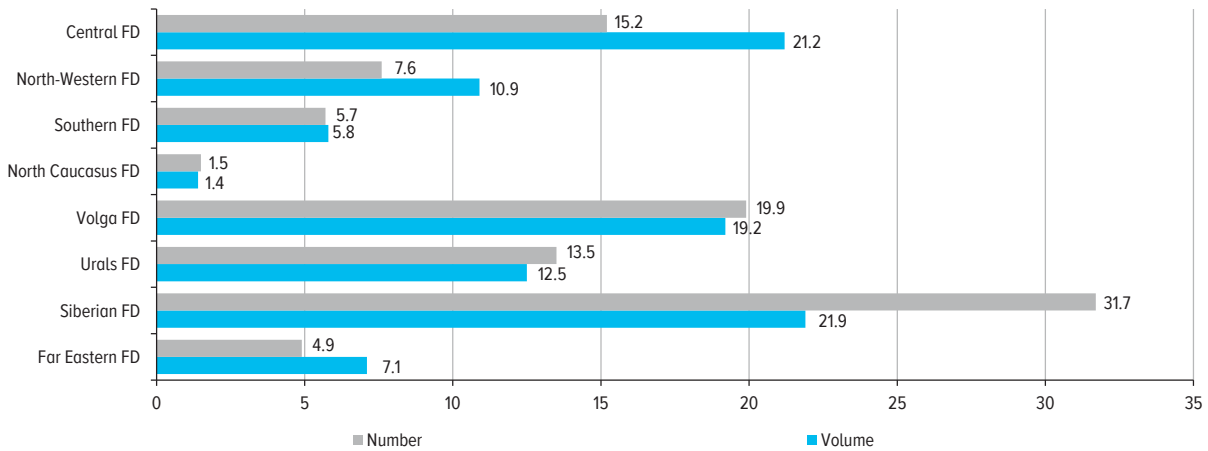


Source: the Bank of Russia’s monitoring.

The regional distribution of transactions processed by FPOs in the capacity of BPAs changed in 2023 compared to 2022. The Siberian Federal District recorded the largest number and volume of transactions in 2023, specifically 31.7% and 21.9%, respectively, while in 2022, it was the Central Federal District with 35.1% and 34.3%, respectively. The lowest number and volume of transactions, making up 1.5% and 1.4%, respectively, were recorded in the North Caucasus Federal District, compared to 2.9% and 3.4%, respectively, in 2022 (Figure 17).

TRANSACTIONS PROCESSED BY FPOS IN THE CAPACITY OF BPAs IN 2023, BY FEDERAL DISTRICT (%)

Figure 17



Source: the Bank of Russia's monitoring.

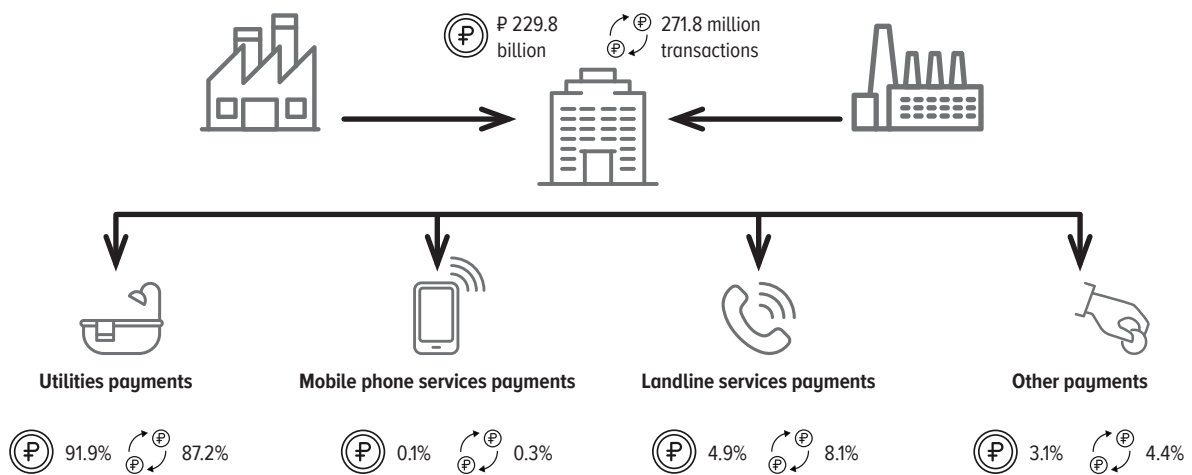
**Payments processed by FPOs in the capacity of PAs**

In 2023, payments processed by FPOs as a PA numbered 271.8 million and amounted to ₹229.8 billion, which is 1.4% less and 5.6% more, respectively, than 275.7 million payments worth ₹217.5 billion in 2022. The average payment increased from ₹789 in 2022 to ₹845 in 2023.

The structure of payments processed by FPOs in 2023 remained nearly the same as in 2022. Payments for utility services accounted for the largest number and volume of all payments – 87.2% and 91.9%, respectively, against 84.8% and 90.7% in 2022 (Figure 18).

STRUCTURE OF PAYMENTS PROCESSED BY FPOs IN THE CAPACITY OF PAs IN 2023

Figure 18



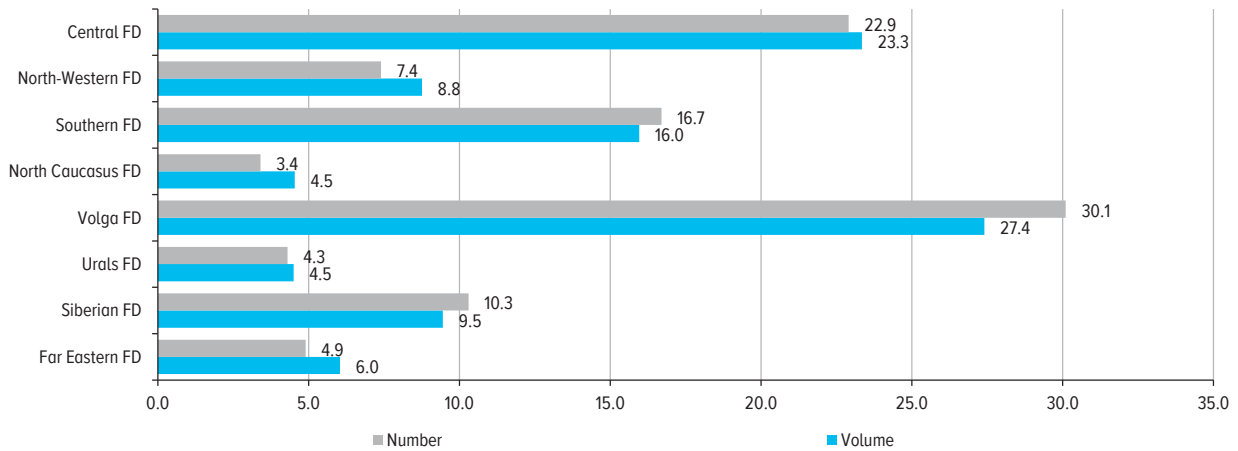
Source: the Bank of Russia's monitoring.

As for the regional distribution of transactions processed by FPOs in the capacity of PAs, the situation in 2023 was mostly the same as in 2022.

The Volga Federal District accounted for the largest number and volume of payments processed by FPOs in the capacity of PAs, namely 30.1% and 27.4%, respectively, against 30.9% and 28.4% in 2022. The North Caucasus Federal District accounted for the lowest number and volume of payments processed by FPOs in the capacity of PAs, in particular 3.4% and 4.5%, respectively, against 2.6% and 3.6% in 2022 (Figure 19).

TRANSACTIONS PROCESSED BY FPOs IN THE CAPACITY OF PAs IN 2023, BY FEDERAL DISTRICT (%)

Figure 19



Source: the Bank of Russia's monitoring.

**1.2.2.3. Monitoring of information exchange service operators, payment application providers, payment aggregators and foreign payment service providers**

In accordance with the NPS Law, the Bank of Russia maintains the lists of IESOs, PAPs, payment aggregators and FPSPs (hereinafter the 'Lists'). Beginning from 2020, the Bank of Russia has been monitoring institutions performing the functions of the above 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.

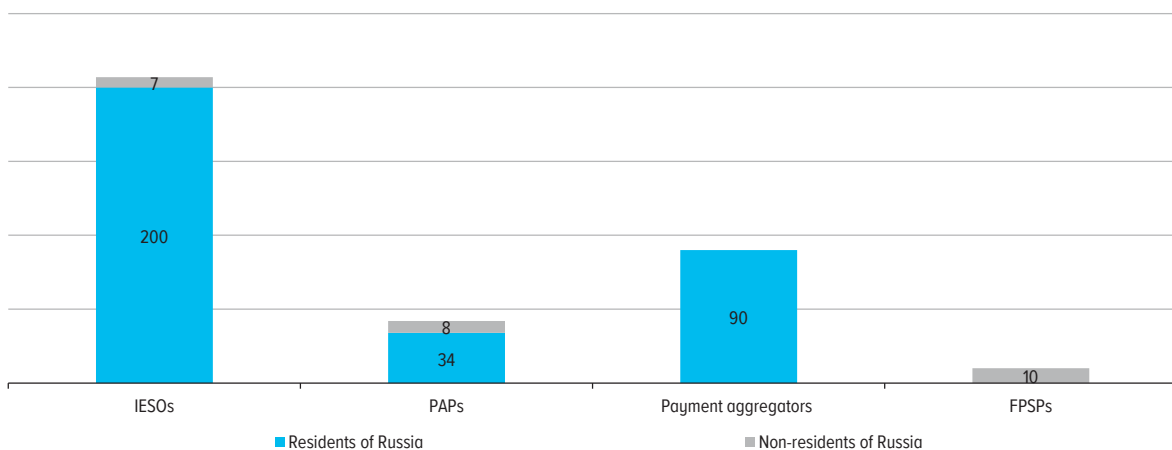
These NPS entities comprise organisations, including credit institutions, registered in the Russian Federation as well as in foreign states (Figure 20).

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

As of 1 January 2024, the Lists included 207 IESOs, 42 PAPs, 90 payment aggregators and 10 FPSPs. Overall, the changes in the number of the NPS entities reflect the response of the NPS to the existing challenges and the current needs of payment services market participants (Figure 21).

NUMBER OF NPS ENTITIES AS OF 1 JANUARY 2024 (BY NUMBER)

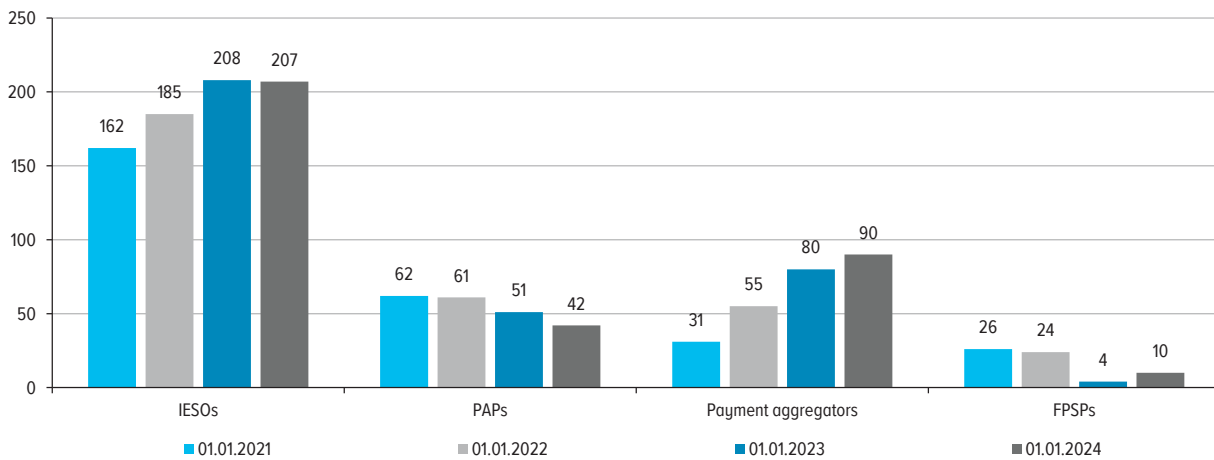
Figure 20



Source: Bank of Russia.

## CHANGES IN THE NPS ENTITIES (BY NUMBER)

Figure 21



Source: Bank of Russia.

Some organisations combine the functions of the above NPS entities, in particular:

- 38 organisations combine the functions of an IESO and a payment aggregator, of which two organisations also perform the functions of a PAP; and
- 18 organisations combine the functions of an IESO and a PAP, of which two organisations also perform the functions of a payment aggregator.

In 2023, within its powers to monitor the NPS entities, the Bank of Russia surveyed credit institutions as regards the operations of IESOs, PAPs, payment aggregators, and FPSPs, having collected the data as of 1 July 2023.

The aggregated information received in the course of the surveys is used to assess the NPS entities' quantitative and qualitative indicators, identify potential risks, and develop recommendations on how to prevent these risks.

### 1.3. Development of international cooperation on NPS-related matters

In 2023, the Bank of Russia continued international cooperation with foreign central (national) banks on NPS-related issues, including issues in the area of NPS supervision and oversight. As part of this cooperation, the Bank of Russia was exchanging experience and information in accordance with previously signed agreements aimed at aligning NPS regulation, supervision and oversight approaches and enhancing the quality of payment services offered.

Furthermore, in October 2023, as part of its programme 'Shaping the Dialogue', the Bank of Russia held the 10th annual international webinar 'Main Approaches to NPS Supervision and Oversight and Their Practical Aspects'. The webinar was attended by representatives of the Bank of Russia and ten foreign central (national) banks. The topics discussed in the course of the webinar, which featured over 120 participants, comprised key changes in NPS laws, methodological and practical aspects of NPS supervision and oversight, the functions of the Bank of Russia PS and issues related to its smooth functioning, as well as supervision and oversight of compliance with the requirements for protecting information in the NPS.

## 2. OVERSIGHT OF IMPORTANT PAYMENT SYSTEMS

The Bank of Russia carries out regular assessments of systemically and socially important PSs to verify their compliance with the regulator's recommendations regarding risk management in PSs.<sup>1</sup>

In 2023, a scheduled assessment of the Bank of Russia PS was carried out.

Being a systemically important PS, the Bank of Russia PS is the main mechanism for implementing Russia's monetary and fiscal policies, accounting for a considerable proportion of funds transfers in the NPS. The Bank of Russia is the operator and the operational, payment clearing and settlement centre of the Bank of Russia PS.

The Bank of Russia conducts funds transfers of participants in the Bank of Russia PS through the platforms for speedy and non-speedy funds transfers and faster payments.

Furthermore, the Bank of Russia PS supports settlements related to on-exchange trades and settlements made between payment services market participants via payment card transactions conducted in the Russian Federation.

According to the assessment, the Bank of Russia has established a solid legal framework for the operation of its PS (including the FPS). Moreover, the regulator has implemented a reliable comprehensive risk management system and meets the needs of participants in the Bank of Russia PS and clients of the Bank of Russia that are not participants in the Bank of Russia PS.

Based on the results of the assessment, the Bank of Russia continued its efforts aimed at ensuring smooth functioning of the Bank of Russia PS and implementing the international standard ISO 20022 Financial Services – Universal financial industry message scheme.

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

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<sup>1</sup> 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 3 December 2019, 'On the Methodology for the Bank of Russia to Assess Systemically and Socially Important Payment Systems and Systemically Important Financial Market Infrastructures'.

## ANNEX 1

NUMBER OF FEDERAL POST OFFICES IN THE FEDERAL DISTRICTS OF THE RUSSIAN FEDERATION  
(AS OF 1 JANUARY 2024)

Federal district	Number of FPOs	
	Total	Offices providing payment services (postal transfers and transfers in the capacity of BPAs/PAs)
Central Federal District	10,880	10,261
Volga Federal District	10,214	9,619
Siberian Federal District	5,328	5,085
Southern Federal District	4,376	4,277
North-Western Federal District	4,112	3,558
Urals Federal District	2,915	2,848
Far Eastern Federal District	2,833	2,694
North Caucasus Federal District	2,047	1,796
<b>Total across Russia</b>	<b>42,705</b>	<b>40,138</b>



## ANNEX 2

### Federal laws pertaining to the NPS issued in 2023

1. 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' (with regard to tightening the requirements for PPs and stipulating the Bank of Russia's powers to monitor (supervise) their operations, as well as introducing self-regulation in the market of payment acceptance services rendered to individuals).
2. Federal Law No. 339-FZ, dated 24 July 2023, 'On Amending Articles 128 and 140 of Part One and Part Two, and Articles 1128 and 1174 of Part Three of the Civil Code of the Russian Federation'.
3. Federal Law No. 340-FZ, dated 24 July 2023, 'On Amending Certain Laws of the Russian Federation' (with regard to digital ruble transactions).
4. Federal Law No. 369-FZ, dated 24 July 2023, 'On Amending the Federal Law "On the National Payment System"' (with regard to unauthorised funds transfers).
5. Federal Law No. 482-FZ, dated 4 August 2023, 'On Amending Articles 29 and 36 of the Federal Law "On Banks and Banking Activities"'.
6. Federal Law No. 602-FZ, dated 19 December 2023, 'On Amending Article 155 of the Housing Code of the Russian Federation and Certain Laws of the Russian Federation' (with regard to limiting fees for utility payments that may be charged by bank payment agents (subagents)).

### Regulations and other Bank of Russia acts pertaining to the NPS issued in 2023

1. Bank of Russia Ordinance No. 6351-U, dated 9 January 2023, 'On the Procedure for Sending an Order to an Electronic Platform Operator, Other Than a Credit Institution, to Rectify a Violation and the Procedure for Suspending the Provision of Services Related to Settlements of Transactions Conducted via the Electronic Platform by the Electronic Platform Operator, Other Than a Credit Institution, if the Latter Fails to Comply with Federal Law No. 161-FZ, dated 27 June 2011, "On the National Payment System" and Related Bank of Russia Regulations'.
2. Bank of Russia Ordinance No. 6352-U, dated 9 January 2023, 'On Amending Bank of Russia Regulation No. 607-P, dated 3 October 2017, "On the Requirements for the Procedure Ensuring Smooth Functioning of a Payment System, Indicators of a Payment System's Smooth Functioning, and Methods Used to Analyse Payment System Risks, Including Risk Profiles"'.
3. Bank of Russia Ordinance No. 6358-U, dated 12 January 2023, '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. 6479-U, dated 30 June 2023, 'On Amending Bank of Russia Ordinance No. 5365-U, dated 23 December 2019, "On the Procedure for a Funds Transfer Operator to Monitor Operations of Bank Payment Agents"'.
5. Bank of Russia Ordinance No. 6497-U, dated 3 August 2023, 'On Amending Article 1 of Bank of Russia Regulation No. 762-P, dated 29 June 2021, "On Funds Transfer Rules"'.

6. Bank of Russia Ordinance No. 6622-U, dated 11 December 2023, 'On Amending Bank of Russia Regulation No. 562-P, dated 5 December 2016, "On the Procedure for a Bank (Another Credit Institution) to Send an Electronic Notice of Account Opening or Closing and of Changes in Account Details to the Insurer's Local Office"'.
7. Decision of the Bank of Russia Board of Directors, dated 17 March 2023, on the procedure for communication between credit institutions when conducting funds transfers.
8. Bank of Russia Information Letter No. IN-04-45/32, dated 24 April 2023, 'Regarding the Fulfilment of a Tax Authority's Order in the Case of Changes in the Outstanding Amount to be Transferred Pursuant to the Tax Authority's Order'.
9. Bank of Russia Methodological Recommendations No. 12-MR, dated 11 September 2023, on communication between funds transfer operators and information exchange service operators.
10. Bank of Russia Methodological Recommendations No. 13-MR, dated 12 October 2023, regarding credit institutions' and payment aggregators' operations related to settlements with merchants with regard to transactions conducted using electronic means of payment.