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## Rouble-Backed Stablecoin Transfers Surpass \$40B

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A rouble-backed cryptocurrency stablecoin has seen transaction volumes surge past \$40 billion in total value, according to blockchain research firm Elliptic. The coin, known as **A7A5**, experienced a sharp rise in daily transfers during July, with over \$1 billion reportedly moved through the network each day.

Launched in January by **Promsvyazbank**, a Russian defense sector lender under Western sanctions, and payments firm **A7**, the stablecoin is issued via a Kyrgyzstan-based platform. Promsvyazbank and A7 promoted A7A5 as a tool for enabling cross-border payments without using the SWIFT banking system, which most Russian banks have been cut off from following sanctions imposed after the February 2022 conflict in Ukraine.

Elliptic, whose intelligence has been used by the U.S. Secret Service in cryptocurrency enforcement cases, stated that A7A5 is becoming increasingly effective for Russian businesses and individuals seeking to bypass restrictions by avoiding traditional financial channels. TRM Labs, another blockchain research organization, has linked the stablecoin to a network of Kyrgyzstan-registered entities involved in sanctions evasion and the import of dual-use goods from China to Russia through Central Asia.

The July spike saw the coin's market capitalization triple to \$521 million in under two weeks. Elliptic's analysis recorded a cumulative transaction value of \$41.2 billion since launch, with liquidity and tokens in circulation also rising sharply. TRM Labs reported similar figures.

Promsvyazbank had stated at the launch that A7A5 would enable Russian companies to pay for goods and services in China without requiring SWIFT access. The stablecoin is pegged to the Russian rouble and enables payments that most sanctioned banks cannot process.

Reuters has not independently verified the sources of funds or the reasons behind the transfers. Requests for comment sent to A7A5, Promsvyazbank, and A7 have so far gone unanswered.

On its Telegram channel, A7A5 stated it had injected \$100 million worth of the stablecoin Tether (USDT) into its decentralized exchange to meet demand. "Demand for A7A5 to USDT at the best rates remains high; liquidity is gone in minutes," the company posted.

Tether, which frequently cooperates with law enforcement globally to seize illicit funds, has not yet responded to inquiries regarding its interactions with A7A5.

Western sanctions, especially the removal of Russian banks from SWIFT, have significantly limited Moscow's ability to conduct international trade through conventional banking

systems. Analysts say the growth of rouble-backed stablecoins like A7A5 could signal a shift toward blockchain-based payment channels for sanctioned economies.

While blockchain transactions can be traced, enforcement agencies face challenges in freezing or intercepting stablecoin transfers, particularly when they occur through decentralized platforms in jurisdictions outside Western oversight.

The rapid growth of A7A5 has drawn the attention of global financial monitoring bodies, which are assessing whether such instruments could undermine sanctions compliance mec