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## Rouble-Backed Stablecoin Transactions Surpass \$40 Billion Amid Sanctions Evasion Concerns

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A rouble-backed stablecoin, launched earlier this year and linked to sanctioned Russian financial institutions, has seen its transaction volumes surge past \$40 billion, according to blockchain research firm Elliptic. The stablecoin, known as A7A5, is issued by Russian defense sector lender Promsvyazbank and payments firm A7, both under Western

sanctions, and is registered in Kyrgyzstan. Researchers say its rapid growth is raising concerns over its potential role in helping Russia bypass international restrictions.

Since Russia's full-scale invasion of Ukraine in February 2022, sweeping Western sanctions, most notably the removal of Russian banks from the SWIFT (Society for Worldwide Interbank Financial Telecommunication) global payment network, have sharply limited Moscow's ability to conduct cross-border transactions. A7A5 was introduced in January 2024 as a stablecoin pegged to the Russian rouble, with the stated goal of facilitating international trade without reliance on SWIFT, particularly for transactions with China.

Elliptic's report notes that A7A5 is increasingly used to sidestep the traditional financial system, enabling sanctioned businesses and individuals to move funds through blockchain channels. The firm's data shows daily transfers exceeding \$1 billion, with total transactions reaching \$41.2 billion. July saw a marked spike in trading activity, liquidity, and tokens in circulation, coinciding with a tripling of the stablecoin's market capitalization to \$521 million in under two weeks. TRM Labs, another blockchain intelligence company, reported similar figures and linked A7A5 to a network of Kyrgyzstan-based entities involved in cryptocurrency-facilitated sanctions evasion and the import of dual-use goods from China.

On Monday, A7A5 announced via its Telegram channel that it had added \$100 million worth of Tether (USDT), the world's largest U.S. dollar-backed stablecoin, to its decentralized exchange (DEX), stating that demand for conversions between A7A5 and USDT remained high, with available liquidity consumed within minutes.

The rapid expansion of A7A5 comes amid broader global concerns over stablecoin dominance and geopolitical influence. In a separate commentary, European Central Bank (ECB) adviser Jürgen Schaaf warned that the growing prevalence of U.S. dollar-denominated stablecoins, such as USDT and USDC from Circle, could weaken the EU's monetary policy autonomy, raise financing costs, and increase dependency on the United States. He called for urgent action to accelerate the digital euro project and foster the development of euro-backed stablecoins to maintain Europe's financial sovereignty.

With stablecoins increasingly at the intersection of finance, technology, and geopolitics, the rise of the rouble-backed A7A5 highlights how digital assets can be leveraged both for legitimate trade and to evade sanctions, presenting complex regulatory and enforcement challenges for governments worldwide.

