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Russia's New Ruble-Based Crypto Raises Sanctions Concerns

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Russia may be turning to a ruble-pegged cryptocurrency to bypass Western sanctions, experts say, marking a potential shift in how authoritarian regimes adapt digital tools to counter economic restrictions.

Since the February 2022 invasion of Ukraine, Moscow has faced multiple rounds of sanctions aimed at crippling its financial ties with the West. In response, Russia has

increasingly turned to cryptocurrencies to regain some footing in the global economy. A recent development in that effort is the emergence of a new digital currency called A7A5, a so-called “stablecoin,” meaning it is backed by real-world assets and designed to maintain a consistent value, in this case, tied to the Russian ruble.

The stablecoin was launched in February 2025 and is reportedly backed by deposits in Promsvyazbank, a Russian bank currently under sanctions due to its government and military affiliations. A7A5 is traded through Grinex, a cryptocurrency exchange based in Kyrgyzstan, an ally of Moscow with a looser regulatory grip compared to Western markets. The choice of jurisdiction appears deliberate, offering distance from Western enforcement while providing a legal framework favorable to digital assets.

George Voloshin, director at the Association of Certified Anti-Money Laundering Specialists (ACAMS), told Agence France-Presse (AFP) that A7A5 represents “the first ruble-pegged stablecoin backed by state-linked actors.” While usage remains limited, the infrastructure behind A7A5 suggests a long-term strategy to reduce dependence on dominant stablecoins like USDT (United States Dollar Tether), which are subject to oversight from the United States and Europe.

Earlier this year, Tether, the company behind USDT, froze \$28 million in assets on Garantex, Russia’s leading crypto exchange, due to illicit activities. That action, according to Elise Thomas of the Centre for Information Resilience (CIR), “was a wake-up call” for Russia. The swift pivot of funds into A7A5 shortly before the crackdown further points to premeditated efforts to avoid further seizures.

The project is also linked to Ilan Shor, a Moldovan businessman living in Russia, whose political activities have attracted sanctions from both the United Kingdom and the European Union. CIR uncovered ties between Shor’s operations and A7A5, including shared digital infrastructure, raising red flags about the coin’s potential for political influence.

Though transactions involving A7A5 are not inherently illegal, experts warn of the implications if sanctioned entities use the stablecoin to access the international financial system. As Voloshin notes, “These tools, when unchecked, can create parallel channels of trade outside the reach of democratic accountability.”

With the digital economy evolving rapidly, Russia’s use of state-supported cryptocurrencies underscores a broader geopolitical shift where financial innovation is becoming a tool of

statecraft rather than just commerce.