

Caught In The Cyprus Financial Crossfire: Small Businesses Suddenly With Zero Cash

By [Zero Hedge](#)

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Region: [Europe](#)

Theme: [Global Economy](#)

One of the prevailing *false* conventional wisdoms about the Cypriot cash confiscation is that it primarily affected rich, tax-evading individuals of Russian origin. Alas, those same individuals are likely to have been least affected, as [subsequent discoveries](#) of capital control breaches by the “richest and best connected” reveal, while increasingly it appears that the uninsured depositors on whose back the nation of Cyprus was bailed out are small and medium corporations, who had been parking cash for net working capital purposes with Cyprus’ banks, cash which is now gone forever to feed the creeping insolvent Euro-monster, and which can’t be used to fund such day to day business activities as payroll, purchases, and business operations.

Such as [this one](#):

The most of circulating assets on our business Current Account are blocked.

Over 700k of expropriated money will be used to repay country’s debt. Probably we will get back about 20% of this amount in 6-7 years.

I’m not Russian oligarch, but just European medium size IT business. Thousands of other companies around Cyprus have the same situation.

The business is definitely ruined, all Cypriot workers to be fired.

We are moving to small Caribbean country where authorities have more respect to people’s assets. Also we are thinking about using Bitcoin to pay wages and for payments between our partners.

Special thanks to:

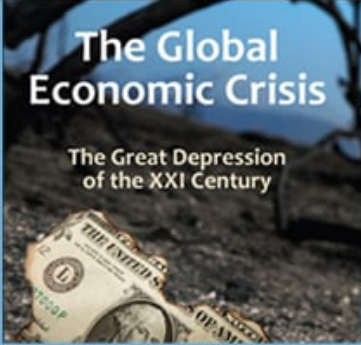
- Jeroen Dijsselbloem
- Angela Merkel
- Manuel Barroso
- the rest of officials of “European Comission”



So while Cypriots may have been quite cool and collected during yesterday’s bank reopening when the Troika was kind enough to give them access to €300 of their cash per day, one wonders just how cool and collected they will be when the implications of the cash crunch spread through the system, when hundreds of small and medium business are forced to lay everyone off overnight, when paychecks suddenly stop and when not only

savings but ongoing cash grinds to a halt.

Because if the locals thought the deposit haircut is the worst of it, just wait until the full brunt of what a -20% depressionary collapse in the economy hits them head on.



The Global Economic Crisis
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