

News Flash

November, 2014

News of the Ukrainian currency market

Considering economic problems arising in connection with the anti-terrorist operation in Ukraine, as well as aiming to regulate the foreign exchange market, the National Bank of Ukraine adopted a number of resolutions imposing restrictions on foreign exchange transactions and introducing additional anti-crisis measures in implementation of some currency transactions.

Restrictions for foreign currency transactions

Since September 2, 2014 the National Bank of Ukraine (hereinafter – “the NBU”) by its Resolution No.540 dated August 29, 2014 has introduced a number of measures to promote strengthening of UAH. The NBU banned early repayment in foreign currency under loan agreements between Ukrainian borrowers and foreign creditors; to purchase and sale foreign currency in the interbank market without currency supply.

The NBU has also restricted sale of foreign cash to one person in one business (working) day to the amount not exceeding the equivalent of UAH 15 000 and limited transfer of foreign currency abroad under current currency non-trading operations.

Under the present Resolution withdrawing cash in UAH at cash desks or ATMs is permitted in the amount up to UAH 150 000 per day for one client withdrawal. An exception is the payment of salaries, expenses, pensions, study grants and other social and similar payments.

The Resolution is valid up to and including December 2, 2014.

Currency regulation

On September 23, 2014 the Board of the National Bank of Ukraine adopted the Resolution No.591 that provides reducing the size of the mandatory sale of proceeds in foreign currency from 100% to 75% and cancels the restriction regarding mandatory conversion into local currency remittances received by the individuals from abroad.

However, considering the strained situation in the cash foreign exchange segment of the market, the amount of foreign currency that can be sold in cash to one person per 1 business day in one bank has been decreased to the amount equivalent to UAH 3 000 (approximately 230 US dollars). This limitation is not applied for purchases of foreign currency to repay loans.

Moreover, the Resolution No.591 sets additional anti-crisis measures for implementation of certain foreign exchange transactions such as payments under import transactions where goods are not delivered into Ukraine, transfer of foreign currency by the residents of Ukraine to non-residents to purchase the non-resident’s corporate rights, purchase of services from the non-residents, transactions based on NBU’s individual licenses, etc.). These measures are precautionary and temporary in nature and will be canceled as soon as the corresponding negative factors in the foreign exchange market will be minimized.

Meanwhile, now the Ukrainian companies which purchase services from non-

residents and willing to repay currency loans or pay dividends in foreign currency to their owners- non-residents cannot purchase foreign currency to conduct such transactions.

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