

Legal News

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The National Bank of Ukraine extends main currency restrictions and introduces certain amendments

On 3 September 2015, the Board of the National Bank of Ukraine ("NBU") adopted Resolution No. 581 ("Resolution") which will be effective from 4 September 2015 to 4 December 2015.

The Resolution mostly extends the key temporary restrictions applicable to foreign currency transactions, with certain minor amendments. In particular, the Resolution:

- Allows banks to release clients' export transactions from currency control in case of a set-off provided that:
 - The value of obligations under one agreement being offset does not exceed USD 500,000; and
 - The set-off is being performed not in foreign currencies listed in the first group of the Classifier of Foreign Currencies and not in Russian rubles
- Increases the maximum amount of foreign currency cash and bank metals allowed for withdrawal from clients' bank accounts from UAH 15,000 to UAH 20,000 per day
- Provides that funds available on the clients' bank accounts in foreign currencies listed in the third group of the Classifier of Foreign Currencies (e.g., Egyptian pounds, Azerbaijani/Turkmenistan manats, Uzbekistani soms) shall not be taken into account for the purposes of the restrictions on purchase of foreign currency upon request of such clients. We note that the banks are currently prohibited from purchasing foreign currency upon request of a Ukrainian resident (except for individuals) if the total amount of foreign currency on accounts of such resident in any banks exceeds the equivalent of USD 25,000
- Cancels the requirement for submission to the NBU of a statement of the State Fiscal Service on absence of any tax debts for the purposes of purchase of and outbound payments in foreign currency.

The Resolution also prohibits purchase of foreign currency in connection with the import transactions, if the custom clearance of the relevant goods had been performed before 1 January 2014 and if the debtor and/or creditor under such transaction were changed. The residents will have to perform such transactions using their own foreign currency. This prohibition, however, does not apply to import of the vital goods (e.g., oil, natural gas, coal).



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The Resolution extends without any changes the currency restrictions previously set out by the NBU, specifically:

- Shortened period for settlements under cross-border transactions (90 calendar days)
- Requirement for mandatory sale on the interbank foreign exchange market of 75% of foreign currency proceeds
- Restrictions applicable to foreign currency transactions, including:
 - Maximum amount of foreign currency in cash allowed for sale to one person, that is UAH 3,000 per day
 - Thresholds for individuals' cross-border foreign currency transfers under current non-trading currency transactions
- Prohibition of purchasing/transferring foreign currency in connection with certain transactions, e.g., divestment and payment of dividends, transactions performed based on the NBU's individual licenses in the amount exceeding USD 50,000 per month.



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