

NBU extended currency control restrictions

The National Bank of Ukraine by its Resolution "On regulating the situation in the money and foreign exchange markets of Ukraine" (hereinafter – "Resolution No. 758") extended a set of measures regulating situation in the foreign exchange market of Ukraine, namely:

The period for performing payments under export-import transaction shall not exceed 90 calendar days.

The Resolution sets requirement for mandatory sale of 75% of foreign currency proceeds (foreign currency of the 1st group of the Classifier of foreign currencies and banking metals adopted by the Resolution No.34 of the National Bank of Ukraine of 4.02. 1998 and Russian rubles) received from overseas by legal entities, physical persons-entrepreneurs, representative offices credited to the accounts for joint activities without incorporation of legal entity as well as proceeds in foreign currency credited to the accounts of non-residents opened outside Ukraine on the basis of the NBU individual licenses.

Residents are allowed to repay credits, loans (including financial aid) in foreign currency (including both principal credit/ loan and other payments set by the loan agreement) under contracts with non-residents no sooner the date established by these agreements. This requirement shall be applied in cases of early fulfillment of obligations by resident-loan debtor for payment of principal loan as well as other payments under loan agreement.

One person per one business day in one bank is allowed to purchase cash in foreign currency or banking metals in the amount which does not exceed the equivalent of UAH 3000.

The NBU allows to transfer foreign currency on behalf of physical persons abroad from the current accounts in foreign currency abroad in the amount which not exceed equivalent of UAH 150 000 per month considering a number of exceptions related to this restriction.

Banks are obliged to limit dispense of cash through cash departments and ATMs to a client per one day (considering a number of exceptions):

- in national currency limited to UAH 150 000,
- in foreign currency limited to equivalent of UAH 15 000 at the official rate of the National Bank of Ukraine;

The following transaction in foreign currency are prohibited:

- repatriation of funds obtained by foreign investors under transactions on sale of legal entities corporate rights (other than shares);
- repatriation of dividends to foreign investors (except the dividends accrued on securities traded on stock markets).

The Resolution No. 758 shall remain effective till **March 3, 2015**.

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