

New currency control restrictions of the NBU

On 4 March 2015, the Resolution of the NBU «On stabilization of credit and currency control markets of Ukraine» No. 160 dated 3 March 2015 came into force, extending restrictions on currency market until 3 June 2015. Moreover, Resolution No.160 introduces additional restrictive measures aimed at stabilization of the currency market of Ukraine.

Thus, the mandatory requirement for legal entities, individual entrepreneurs and representative offices (except for official representative offices) to sell 75% of the foreign currency proceeds received from abroad has remained in force.

The NBU also extended prohibitions on, inter alia:

- issuance of funds in the amount of over UAH 150,000 (approx. USD 6,900; EUR 6,500) per one business day to legal entities and individual entrepreneurs. The exceptions include payment of salaries, costs of business travels and other social payments;
- transfer of foreign currency abroad by individuals under current non-commercial transactions without confirming documents in the amount of over UAH 15,000 (approx. USD 690; EUR 650) per day (UAH 150,000 (approx. USD 6,900; EUR 6,500) per month);
- sale of cash in foreign currency to one person in a bank office during one business day in the amount of over UAH 3,000 (approx. USD 135; EUR 130).

Residents are precluded from early repayment of loans in foreign currency under loan agreements with non-residents. This restriction is also applicable to payment of interest under such agreements. The NBU still refuses to register amendments to loan agreements with non-residents in relation to shortening the maturity period under such agreements or their early performance.

The NBU has broadened the list of restrictive measures for stabilisation of UAH, in particular by introducing prohibition on purchase of foreign currency:

- for the purposes of repatriation of dividends to foreign investors abroad;
- for the purposes of repatriation of proceeds received by foreign investors from the sale of corporate rights, other than shares, of legal entities, decrease of the charter capital of legal entities, exit from a legal entity;
- for the purposes of repatriation of proceeds received by foreign investors from the sale of securities of Ukrainian issuers (except for sales of bonds conducted on a stock exchange).

The banks are prohibited to sale foreign currency to clients (except to individuals) that have funds in foreign currency on current and deposit accounts with this or other banks. Such prohibition is not applicable when the aggregate amount of client's funds in foreign currency is less than USD 10,000. However, such amount does not include those funds property rights to which are under pledge; funds placed onto deposits prior to enforcement of Resolution No. 160; and funds on the accounts with banks in temporary administration or liquidation.

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Cash under electronic means of payment is issued only in UAH on the territory of Ukraine.

In case of purchase and transfer abroad of foreign currency under import transactions in amount of over USD 50,000, legal entities and individual entrepreneurs, in addition to confirming documents, shall also provide a bank with the certificate on absence of tax debt from the Fiscal Service of Ukraine, and, if required, the appropriate price assessment act.