

Partial abolishment of currency restrictions

On 23 October 2015, the Resolution of the National Bank of Ukraine No. 718 dated 22 October 2015 came into force. This Resolution abolishes some of currency restrictions established by the Resolution of the National Bank of Ukraine No. 581 dated 3 September 2015.

Thus, the NBU cancelled the mandatory sale of foreign currency proceeds on interbank market of Ukraine:

- for projects which are performed under the agreements between Ukraine and EU on participation of Ukraine in the EU international programs;
- for grants from the international financial organizations, in which Ukraine is a member, to the resident legal entities, which are financed on the basis of such grants and in the management of which the Government of Ukraine takes part;
- which were received as cash collateral (guarantee deposit) from a non-resident participant of the auction (bidding) for privatization of state property to the account of the organizer of such auction (bidding).

Pursuant to the Resolution No. 581, the authorized banks were not allowed to release control over the export transactions of their clients based on documents of termination of obligations due to set off in foreign currency. Following adoption of the Resolution No. 718, such requirement is no longer applied to transactions of telecommunication operators on payment for international telecommunication services (international roaming and international traffic services).

It is also worth mentioning that the NBU allowed to register amendments to the loan agreement in foreign currency, if the change of the initial lender was due to its liquidation or merger with the new lender-successor. The NBU also registers loan agreements, under which the loan was provided to the resident borrower with participation of a foreign export-credit agency.

In addition, the NBU cancelled restrictions in relation to withdrawal of cash in national currency via cash desks and ATMs. Until the Resolution became effective, the upper limit of cash withdrawal in national currency was set at UAH 300,000 (approx. USD 13,100) per one banking day per one client.