

Subtle liberalization of currency restrictions

On 3 March 2016, the National Bank of Ukraine (the NBU) published its Resolution No. 140 «On stabilization of credit and currency control markets of Ukraine». It was expected that this Resolution would cancel at least part of currency restrictions imposed by the NBU, which are very burdensome for business operation in Ukraine. However, unfortunately, no significant relief took place.

The most important change was increase in the upper limit of cash, which might be issued from the current accounts in foreign currency and bank metals from UAH 20,000 (approx. USD 740) to UAH 50,000 (approx. USD 1,850) per one day, and in national currency from UAH 300,000 (approx. USD 11,110) to UAH 500,000 (approx. USD 18,520) per one day.

In addition, the amount of sale of cash in foreign currency to one person in a bank office during one business day was increased from UAH 3,000 (approx. USD 110) to UAH 6,000 (approx. USD 220). This initiative aims at combating shadow currency market.

The important mandatory requirements in relation to sale of 75% of the foreign currency proceeds received by legal entities from abroad, settlements under export and import of goods transactions within 90 days, prohibition of early repayment of loans in foreign currency under loan agreements with non-residents remain in force.

The NBU also decided to leave the discount rate unchanged (22%). This might be viewed as the effort of the NBU to further decrease negative effects of the internal processes and instability of the world economy on the Ukrainian economy.