

Easement of currency restrictions

On 7 June 2016, the National Bank of Ukraine (the NBU) adopted its Resolution No. 342 "On stabilization of credit and currency control markets of Ukraine", which significantly eased some currency restrictions. The Resolution became effective on 09 June 2016 and will be valid until 14 September 2016.

Thus, the NBU decreased the threshold for mandatory sale of the foreign currency proceeds received by legal entities from 75% to 65%, and also increased the upper limit for purchase of cash in foreign currency to UAH 12,000 (approx. USD 480) per one business day.

Furthermore, the banks are now able to issue their clients with cash in foreign currency from their current accounts in the amount of up to UAH 100,000 (approx. USD 4,000) per one business day, which is twice the amount effective previously.

In addition, the NBU allowed repatriation of dividends accrued to foreign investors in 2014 and 2015. This provision became effective on 13 June 2016, but will be applied with certain restrictions. Thus, the upper limit for dividends to be returned abroad shall not exceed USD 1 million per one calendar month or 10% of the total amount of dividends. If the respective 10% exceeds USD 5 million, the maximum amount for repatriation of dividends per calendar month shall not be more than USD 5 million.

In addition, it is worth mentioning that on 24 June 2016 the NBU decreased the discount rate from 18% to 16.5%.