

Current exchange regulation rules

Exchange regulation

According to the Resolution No. 410 "On settlement of the situation on monetary and currency markets of Ukraine" of 13 December 2016, which became effective from 16 December 2016, the National Bank of Ukraine prolonged temporary restrictions on monetary and currency markets.

Thus, the following restrictions shall be in force:

- mandatory sale of the foreign currency proceeds received by legal entities at 65%;
- restriction on purchase of cash in foreign currency by natural persons at UAH 12,000 per day;
- prohibition to transfer foreign currency abroad in the amount of UAH 15,000 per day and UAH 150,000 per month;
- prohibition to settle payments with natural persons in the amount of UAH 50,000 per day;
- restriction on cash withdrawal in foreign currency from bank accounts at UAH 250,000 per day;
- restriction on settlements for operations with export-import of goods to 120 days;
- prohibition of early loan repayment for non-residents;
- term of UAH reservation for purchase of foreign currency on the interbank currency market at one day;
- restriction on mutual settlement of claims under export contracts.

It should be noted that the National Bank of Ukraine made the Resolution "On settlement of the situation on monetary and foreign exchange markets of Ukraine" permanent. Thus, the effective period shall not be set for the requirement on mandatory sale of foreign currency proceeds, which will be valid until June 15, 2017, as well as the restrictions set by the Law of Ukraine "On the procedure for settlement of payments in foreign currency".

Regarding the repatriation of dividends, the conditions and restrictions on the amounts remain unchanged. Thus, dividends can be paid only for 2014 and 2015. The maximum amount of dividends that can be returned to the foreign issuer of corporate rights and shares should not exceed USD 1,000,000 or 10% of total dividends per one calendar month. If these 10% exceed USD 5,000,000, the maximum amount for repatriation of dividends should not exceed USD 5,000,000 per calendar month.

According to the decision of the National Bank of Ukraine of 8 December 2016, the discount rate is set at 14%.

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Operations with export of services

The National Bank of Ukraine made the decision with regard to lifting of administrative restrictions on operations with export of services. Thus, the following changes were introduced to the Instruction on control of export-import operations:

- residents engaged in export of services (excluding transport and insurance), intellectual property rights, copyright and related rights should not comply with the term of payments for these operations of 120 days;
- exporters shall not translate into Ukrainian the documents, including invoice, drawn up in English or other foreign language with additional translation into English;
- banks shall use copies of the documents, including invoice, in electronic form for currency control of export-import operations of residents.

The relevant amendments to the Instruction on procedure for control of export-import operations became effective on 3 January 2017.