

Current foreign exchange regulations

On 4 April 2017, the National Bank of Ukraine further relaxed the foreign exchange regulations by its Resolution No. 30 "On Amendments to the Regulation of the Board of the National Bank of Ukraine of 13 December 2016".

Thus, the National Bank reduced the requirement for mandatory sale of the foreign currency proceeds received by legal entities from 65% to 50%. The restrictions on the sale of cash in foreign currency to natural persons have also been amended. Starting from 5 April 2017, the maximum amount of cash in foreign currency that may be purchased by natural persons was increased to UAH 150,000 per day.

In addition, according to the Resolution of the NBU Board No. 41 "On Amendments to Several Legislative Acts of the National Bank of Ukraine" dated 25 May 2017, the National Bank lifted the temporary provision which provided for shortening of the term for settlements under export and import contracts to 120 days. Now, the maximum term for payments is set to 180 days.

It should be noted that the NBU cancelled the prohibition to buy and transfer foreign currency abroad with the purpose of repatriating funds received by foreign investors from the sale of corporate rights, certain types of securities, from reducing authorized capital of legal entities, from the withdrawing of foreign investors from economic entities. Moreover, the NBU also lifted the prohibition of early repayment of loans granted by non-residents where undertakings of international financial institutions had been provided as security for payments in these transactions (i.e., bank guarantees, standby letters of credit, through authorized banks and/or foreign banks).

However, the following restrictions are still in force:

- prohibition to transfer foreign currency abroad in the amount exceeding UAH 15,000 per day and UAH 150,000 per month (until 12 June 2017);
- prohibition to settle payments with natural persons in the amount exceeding UAH 50,000 per day;
- maximum amount of cash in foreign currency that may be withdrawn from bank accounts is limited to UAH 250,000 per day;
- one day term of UAH reservation for purchase of foreign currency on the interbank currency market;
- restriction on mutual settlement of claims under export contracts.

It should also be mentioned that the NBU 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

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will be valid until June 15, 2017, as well as for the restrictions set by the Law of Ukraine "On the procedure for settlement of payments in foreign currency".

Under to the resolution of the NBU of 25 May 2017, the key policy rate was decreased to 12.5%.