

Certain changes to currency regulation

Following significant easing of currency regulation established by the National Bank of Ukraine (the NBU) in its Resolution No. 342 "On stabilization of credit and currency control markets of Ukraine", which became effective on 9 June 2016, the NBU introduced some additional amendments to currency regime.

Thus, on 29 July 2016 the Resolution of the NBU No. 361 became effective pursuant to which the term for settlements under import and export of goods transactions in foreign currency was extended to 120 calendar days. Previously it was 90 calendar days. Furthermore, the NBU eased conditions for payments under import transactions, in particular via letters of credit. As of now the banks shall use only letters of credit as a payment method if the amount of payment exceeds USD 1 million. Previously such requirement applied to payments of over USD 500,000.

In addition, pursuant to its Resolution No. 364 dated 02 August 2016, the NBU simplified foreign currency transactions for individuals. As of 10 August 2016 individuals are entitled to exchange foreign currency in the amount of UAH 150,000 (approx. USD 6,000) without any documents.

Also, it is worth mentioning that starting from 29 July 2016 the NBU further reduced the discount rate from 16.5% to 15.5%.

Resolution No. 342 "On stabilization of credit and currency control markets of Ukraine" is valid until 15 September 2016, when the NBU is going to decide as to whether further easing of currency regulation is viable.