

Procedure for issuing individual currency licenses simplified

The National Bank of Ukraine has simplified the procedure of obtaining electronic licenses for natural persons. The respective changes were introduced by Resolution of the National Bank of Ukraine No. 45 dated back to 26 April 2018. Now, the list of documents proving the sufficiency of income necessary to carry out transactions based on an individual license, required to obtain an individual electronic license, has been expanded, and the sufficiency of income may be verified both on the basis of private ownership of the natural person applying for a license and on the basis of the joint ownership of the spouses.

The documents proving the source of income sufficient for the transaction used to include property status and income declarations bearing a mark of the controlling body, certificates issued by the controlling bodies stating the income received by the natural person and taxes paid by the natural person as well as information from the official website of the National Agency on Corruption Prevention taken from property status and income declarations.

Now, the documents on the basis of which the authorized bank must verify the source of the natural person's funds, including the funds that are the joint property of the spouses, include contracts for the sale of movable and/or immovable property and other documents proving the source of the natural person's funds (in addition to the above mentioned documents).

According to the recent changes, the source of the natural person's funds, including the funds considered to be the joint property of the spouses, may be: wages and/or other payments and remuneration paid (provided) in connection with labour relations, income from business/independent professional activities, income from sales of movable and/or immovable property, investment income, inherited funds, and other payments in accordance with the terms of civil legal transactions (contracts).

In addition to the documents proving the source of the funds, the person should also submit to the bank an application for the e-license signed by the natural person (the applicant), as well as the originals or copies of the documents proving the purpose of the transfer from Ukraine (a contract, an invoice and/or other documents used in the international practice). The originals of the required documents may be submitted to the authorized bank in the paper and/or electronic form. The application for the e-license to be submitted to the National Bank in electronic form must be signed by the natural person (applicant) using an electronic digital signature equivalent to his/her handwritten signature in accordance with the Law of Ukraine On the Electronic Digital Signature.

The changes also apply to individual entrepreneurs. If electronic individual licenses used to be issued solely to natural persons, now individual entrepreneurs may also submit their applications for an individual e-license to the bank. Now, the rules of issuing e-licenses also apply to foreign currency transactions of natural persons irrespective of their being granted the entrepreneur's status or not, provided that these transactions are carried out by these natural persons for their own needs and

are not related to their business activities.

The natural persons may use individual electronic licenses to carry out transactions such as investing abroad (purchasing real property or corporate rights abroad), making a payment under a life insurance contract to a foreign insurance company, as well as transferring funds on his/her own account in a foreign state. In order to obtain an electronic individual license for these transactions, a natural person shall submit a specified list of documents to the authorized bank, which in turn shall, having verified the documents, address the National Bank of Ukraine, directly issuing an e-license.

After obtaining the individual e-license, the natural person may, within a calendar year, on the basis of the e-license issued to him/her, carry out foreign exchange transactions for an amount not exceeding a total of USD 50,000 (or the equivalent in another foreign currency).