

CENTRAL BANK OF UKRAINE FURTHER RELAXED ADMINISTRATIVE RESTRICTIONS

2 March 2018

The National Bank of Ukraine (the "NBU") passed changes to its Resolution No. 410 containing certain currency controls and other administrative restrictions, which becomes effective on 3 March 2018. While the general prohibition on repatriation of dividends and obligatory sale of currency remains in force, NBU introduced several significant improvements.

1. NBU will now allow Ukrainian companies to pay their foreign investors abroad (or purchase hard currency and then pay) dividends from historic profits earned before 31 December 2017. The permissible limit for such dividends payments is set at USD 7,000,000 at one calendar month.

2. NBU also allows Ukrainian businesses to repay loans in foreign currency in advance. From now on, Ukrainian borrowers can make early repayments of foreign loans within the monthly limit of USD 2,000,000.

3. NBU has expanded the list of commercial operations, foreign currency proceeds from which are no longer subject to mandatory conversion to Ukrainian hryvnia. From now on, the mandatory sale requirement should not apply to foreign currency proceeds from loans that a Ukrainian company borrowed to refinance its existing debt to foreign lenders.

For more details in Ukrainian please visit:

https://bank.gov.ua/control/uk/publish/article?art_id=65125318&cat_id=55838

KEY ISSUES

- Repatriation of dividends is allowed from historic profits up to 2017 inclusive subject to limit of USD 7M per month
- Early repayments of foreign loans are now subject to a limit of USD 2M per month
- No obligation to sell foreign currency proceeds borrowed in the form of external loans or loans to refinance existing debt in foreign currency

CONTACTS

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