

The National Bank of Ukraine introduced additional changes to currency restrictions

On 19 November 2024, the **National Bank of Ukraine** published amendments to currency restrictions that were introduced in February 2022 at the start of the full-scale Russian invasion.

The changes relate to payments under international technical assistance projects, transfers for the import of goods, dividend payments, and lending for the purchase of foreign currency-denominated government bonds. While the first two categories involve the easing of restrictions, dividend payments and lending for purchasing foreign currency-denominated government bonds are now subject to stricter regulation.

In focus:

Settlements under **ITA projects**



Imports with the participation of a foreign export credit agency or a foreign state



Dividends of 'new' companies and shareholders



Prohibition on lending for the purchase of government bonds denominated in foreign currency



Below is a detailed overview of the changes that came into effect on 20 November 2024:



01 Settlements under ITA projects



Settlements are now permitted within the framework of any international technical assistance and cross-border cooperation projects/programmes.

Until now, payments were allowed only within the framework of ITA projects funded by the European Union.

Funds in foreign currency received on the client's account under international technical assistance projects (programmes), regardless of the fact of state registration of the project, will no longer count towards the total foreign currency limit that restricts the purchase of foreign currency by resident clients (except individuals).

02



Imports with the participation of a foreign export credit agency or a foreign state

Residents are permitted to perform cross-border payments for the import of goods without limitations on the deadlines of delivery of such goods if the import transaction was carried out with the participation (by way of crediting, insurance, guarantee, surety) of a foreign export credit agency or a foreign state through an authorised entity or a foreign entity whose members (shareholders) include a state or foreign bank whose shareholder is a foreign state.

! The transfer of funds under such an agreement for the import of goods is permitted in an amount not exceeding 10% of the amount of overdue debt under this agreement (as of 01 November 2024) per calendar month.

03 Dividends of 'new' companies and shareholders



Expanded requirements now apply to residents transferring dividends abroad. These include:

- The issuer must have been active for at least 12 months before the transaction date;
- At least six months must have passed since the non-resident acquired corporate rights or shares in the issuer for which dividends are paid.



03 Dividends of 'new' companies and shareholders (continued)



Existing requirements remain in effect:

- Dividends must relate to the resident's activities starting 1 January 2024;
- Payments can only be made to the foreign investor/non-resident's account abroad or through Ukraine's depository system;
- Payments are subject to an overall limit of EUR 1,000,000 (equivalent) per calendar month.

! The permitted transfers do not apply to dividends from undistributed profits from prior periods (before 1 January 2024) or reserve capital.

04 Prohibition on lending for the purchase of government bonds denominated in foreign currency



Banks are now explicitly prohibited from issuing foreign currency loans for clients to purchase securities denominated in a foreign currency.

Banks are also prohibited from transferring funds in foreign currencies, received as loans, for the purchase of such securities or depositing into a central counterparty's account.





For more detailed information on
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