National Bank allowed repatriation of dividends for 2017 and early repayment of cross-border loans, as well as increased the key policy rate to 17%

On 1 March 2018, the Board of the National Bank of Ukraine (the "National Bank") adopted Resolution No. 19 "On amending of certain legislative acts of the National Bank of Ukraine" (the "Resolution"). Amendments introduced by the Resolution became effective on 3 March 2018. The overview of key changes follows below.

The Resolution softens some of the temporary currency control restrictions, in particular:

► Purchase/transfer of foreign currency is allowed for repatriation of dividends for 2017 (in addition to dividends for all previous years).
► A monthly limit for purchase/transfer of foreign currency for payment of dividends is increased to USD 7 million (previously, the limit was USD 5 million for dividends for 2014 - 2016 and USD 2 million for dividends for years up until 2013, inclusively).

The Resolution also expands the possibility of early repayment of cross-border loans, specifically:

► Allows early repayment of cross-border loans for all resident borrowers within a USD 2 million monthly limit for loans serviced by a single bank.
► Abolishes mandatory sale of 50% of foreign currency proceeds under loans received from non-residents where the relevant proceeds are used exclusively for refinancing of existing cross-border loans.

Also, the National Bank increased the key policy rate by 1% to 17% per annum by its decision No. 133-puv dated 1 March 2018.

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We will continue monitoring the developments and may inform you of further significant changes.
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