

BOARD OF THE NATIONAL BANK OF UKRAINE

RESOLUTION

No. 5 dated 2 January 2019

On Approval of Regulation on Safeguards and Procedures for Certain Transactions in Foreign Currency

As amended by
NBU Board Resolution
No. 35 dated 6 February 2019

Pursuant to Articles 6, 7, 7¹, 15, 28, 30, 33, 44, 45, 46, 48, 56 and 71 of the Law of Ukraine *On the National Bank of Ukraine*, Article 99 of the Constitution of Ukraine, Articles 2, 6, 9, 12, 13 and 16 of the Law of Ukraine *On Currency and Currency Operations*, the Board of the National Bank of Ukraine hereby **resolves** to:

1. Approve Regulation on Safeguards and Procedures for Certain Transactions in Foreign Currency (hereinafter – Regulation), as attached.
2. Implement safeguards determined by the Regulation.
3. During the term of the effect of the Regulation other NBU regulations shall be effective in the part that does not contradict the Regulation.
4. Following the official publication, the Open Market Operations Department (Serhii Ponomarenko) shall communicate to the banks of Ukraine the information on the approval of the Resolution.
5. The Resolution shall come into force on the same day that the Law of Ukraine *On Currency and Currency Operations* goes into effect.

Governor

YAKIV SMOLII

Regulation on Safeguards and Procedures for Certain Transactions in Foreign Currency

I. General Provisions

1. The Regulation defines safeguards introduced by the National Bank of Ukraine (the NBU), procedure for their implementation (procedure for effecting currency transactions in the context of safeguards implemented by this Regulation) and the procedure for certain transactions in foreign currency.
2. For the purposes hereof, the terms shall have the following meanings:
 - 1) Automated information system *Loan Agreements with Nonresidents* (hereinafter – *Loan Agreements with Nonresidents AIS*) means a set of organizational and technological means of the NBU ensuring the formation of centralized database of contracts under which residents take responsibility to fulfill debt obligations to nonresident creditors under loans taken out by residents (reimbursable financial assistance inclusive).
 - 2) Automated information system *Limits on Currency Transactions* (hereinafter – *E-limits AIS*) means a set of organizational and technological means of the NBU ensuring centralized collection of data on residents' currency transactions subject to the limits.
 - 3) Limits on currency transactions (hereinafter – limits) mean safeguards implemented by the NBU by limiting the total amount of currency transactions determined by the NBU that may be performed by residents and nonresidents during the terms determined by the NBU.
 - 4) Investment account means current account in Group 1 and Group 2 foreign currencies of the Classifier of Foreign Currencies and Investment Metals approved by NBU Board Resolution No. 34 dated 4 February 1998 (in the wording of NBU Board Resolution No. 269 dated 19 April 2016) (with amendments) (hereinafter – Classifier), and/or in hryvnias, opened by a foreign investor in a bank solely for carrying out investment activities in Ukraine, and for repayment of investment and profit, income, other funds received by this foreign investor from investment activities in Ukraine, and transactions related to such activities, pursuant to Section X paragraphs 132–134 hereof.
 - 5) Investment abroad means currency transaction of residents investing currency valuables abroad in order to receive profit or achieve social effect.
 - 6) International financial organizations (hereinafter – IFOs) denote international financial organizations where Ukraine is a member and international financial

organizations entitled under the agreements with Ukraine to equal legal treatment with other IFOs.

7) Small value of currency transaction (hereinafter – small value) denote the value of currency transaction (in hryvnia equivalent at the official exchange rate of hryvnia to foreign currencies set by the NBU as of the transaction date) that is below the mandatory financial monitoring thresholds in accordance with the AML/CFT laws and regulations.

8) Official missions mean foreign diplomatic, consular, trade and other official missions enjoying immunity and diplomatic privileges.

8¹) Reimbursable financial assistance means a loan that is free of interest or other compensation payments for the use of such funds.

(subparagraph 8¹ was added to paragraph 2 pursuant to NBU Board Resolution No.35 dated 6 February 2019)

9) Permanent representative offices means the offices of nonresident legal entities and international organizations representing their interests in Ukraine, via which the nonresident's business activities in Ukraine are carried out in full or in part.

10) Relatives mean a parent, a stepfather, a stepmother, a son, a daughter, a stepson, a stepdaughter, a grandmother, a grandfather, a great-grandmother, a great-grandfather, grandchildren, great-grandchildren, a sibling (blooded and half-blooded), cousins, an aunt, an uncle, a niece, a nephew, an adopter, an adoptee, a guardian, a person under guardianship or care, a spouse.

The term *investment metals* shall be used in the meaning determined by the Law of Ukraine *On Government Regulation of the Extraction, Production and Use of Precious Metals and Precious Stones and Control over the Operations with Them*.

The term *commodity* shall be used in the meaning defined in the Law of Ukraine *On Foreign Economic Activities*.

The term *bank* shall be used in the meaning defined in the Law of Ukraine *On Banks and Banking*.

Terms *foreign investors* and *foreign investment* shall be used the meaning defined in the Law of Ukraine *On Foreign Investment Treatment*.

Other terms used in the Regulation shall be used in the meanings defined in the laws of Ukraine and the NBU regulations.

3. Provisions of the Regulation do not cover transactions associated with e-money.

4. Clients (residents and nonresidents) shall perform currency transactions of purchasing noncash foreign currency/investment metals and/or remitting foreign currency/investment metals/domestic currency provided there are

grounds/commitments to perform such transactions confirmed by relevant documents submitted by clients to the authorized institutions.

For some types of currency transactions, the Regulation sets special requirements with regard to their documented proof that the banks and their clients shall comply with in the process of performing relevant transactions.

Requirements of Section I paragraph 4 hereof are not applicable to small-value transactions of purchasing noncash foreign currency by individuals specified in Section V paragraph 58 hereof, and small-value transactions of purchasing investment metals without physical delivery by individuals, legal entities, sole proprietors during a calendar day within a bank's limit per one client as defined in Section IV paragraph 37 hereof, as well as transactions of purchasing noncash foreign currency by public authorities that are authorized to conduct pretrial investigation in order to implement the measures provided for by Article 8 of the Law of Ukraine *On Operational and Investigative Activities*, Article 5 of the Law of Ukraine *On Combating Terrorism*, and Articles 271 and 273 of the Code of Criminal Procedure of Ukraine.

(paragraph 4 indent 3 in the wording of NBU Board Resolution No. 35 dated 6 February 2019)

5. Clients of authorized institutions do not have to submit documents certifying existence of grounds/commitments to perform small-value currency transactions of purchasing foreign currency, remitting foreign currency / investment metals / hryvnia, including remitting foreign currency that has been previously purchased in the small amount, in the event of change of the equivalent amount of the purchased currency due to the change in foreign currency exchange rates as of the transfer date. The information on the purpose of purchase, remittance and documents pursuant to which the purchase is performed, and the remittance to the beneficiary of funds in foreign currency/hryvnia and/or investment metals is stated in the order for purchasing foreign currency and/or in the payment instruction.

(paragraph 5 indent 1 as amended according to NBU Board Resolution No. 35 dated 6 February 2019)

The authorized institutions shall decide independently on whether a client needs to file documents related to the currency transactions as specified in Section I paragraph 5 indent 1 of this Regulation. At the request of an authorized institution, a client shall file the documents related to the currency transaction within the term determined by the authorized institution.

6. Requirements of Section I paragraph 5 indent 1 of this Regulation shall not be applicable to the currency transactions in case the bank detects signs of fragmentation of the totality of related relevant financial transactions.

7. Clients shall perform currency transactions of purchasing foreign currency/investment metals, remitting foreign currency/investment metals/hryvnia based on original

documents (e-documents inclusive) or electronic/hard copies of original paper documents.

A client makes electronic copies of the documents by scanning an original paper document and certifies it with his/her qualified/advanced electronic signature (signature of an authorized person for legal entities) generated as required under the laws and regulations in the area of electronic trust services (hereinafter *electronic copy*). Resident individuals may certify electronic copies of the documents using a standard electronic signature as per bank's internal policies developed in accordance with *the Regulation on the Electronic Signature in the Banking System of Ukraine* approved by NBU Board Resolution No. 78 of 14 August 2017.

Electronic documents/copies may be submitted through the information and telecommunication systems (including remote client servicing systems) as contemplated in the contract between the bank and the client, and shall be stored by the authorized institution. A contract between a bank and a client shall state the terms and procedure for the acknowledgement by the participants of electronic interaction of transactions based on electronic documents signed with electronic signature.

Hard copies of documents shall be certified by the client's/authorized person's signature and shall be stored by the bank.

8. Resident clients (legal entities and sole proprietors) shall use a single bank per each international business contract to purchase foreign currency for settlement of current trade transactions with a nonresident.

Clients (residents and nonresidents) shall use a single bank for currency transactions (purchase of foreign currency, remittance of funds) specified in Section VII paragraph 75, Section IX paragraphs 91 and 93 hereof.

When transferring servicing of an international business contract/currency transactions specified in Section VII paragraph 75, Section IX paragraphs 91 and 93 hereof to a different bank, bank clients shall file a written request registered in accordance with the internal policy on records management. This written request shall contain the client's permit to receive information on any outstanding settlements (balances) under an international business contract/currency transactions specified in Section VII paragraph 75, Section IX paragraphs 91 and 93 hereof, from the bank, via which the settlements used to be carried out under this contract.

Within three business day from the date of receipt of the client's written request, the bank, where servicing of an international business contract/currency transactions specified in Section VII paragraph 75, Section IX paragraphs 91 and 93 hereof is transferred, shall address the bank that has been used before for payments/settlements under international business contract/currency transactions requesting all available information on any outstanding settlements (balances) under the contract(s)/transaction(s) of the client certified with the signature of the bank's authorized person. The bank shall provide information on outstanding settlements

(balances) within five business days from the date of receipt of the request from the bank assuming servicing of the contract(s)/transaction(s).

The bank that assumes servicing of an international business contract/currency transactions specified in Section VII paragraph 75, Section IX paragraphs 91 and 93 hereof shall within three business days from the date of receipt of the client's written request contact the liquidator of the former servicing bank or a legal entity established as a result of the bank's liquidation upon the decision of owners to receive all available information on any outstanding settlements (balances) under an the contract(s)/transaction(s) of the client.

The bank/bank's liquidator shall provide the requested information signed by a manager or an authorized person.

Communication between the banks, between a bank and a bank's liquidator shall be through the NBU's electronic mail system.

The bank's liquidator or a legal entity established as a result of the bank's liquidation on the owners' decision that have no access to the NBU's electronic mail system shall send the letter containing the information on any outstanding settlements (balances) under an international business contract/currency transactions specified in Section VII paragraph 75, Section IX paragraphs 91 and 93 hereof as a hard copy by courier, special post, post (registered letter with or without the statement of value) exclusively to the bank authorized by the client to file the request. The letter shall be signed by the manager and/or authorized person of such bank's liquidator or legal entity established as a result of the liquidation of the bank on the decision of the owners. Having received a hard copy of the letter, the bank shall verify the received information, receive confirmation of the fact that the letter was signed by the manager or the authorized person.

9. Acting on the client's instructions and using client's money, a bank may purchase foreign currency without any existing liabilities in this currency, if the bank and the client have a contract for services on a fee/commission basis.

Acting on the client's instructions, a bank may perform transactions of exchanging investment metals, if the bank and the client have a contract for services on a fee/commission basis.

(paragraph 9 indent 2 as amended according to
NBU Board Resolution No. 35 dated 6 February 2019)

For a client that is an individual person and not a sole proprietor, a bank may during the day exchange foreign currency/investment metals on the current/deposit accounts of the client, with the simultaneous crediting of the exchanged foreign currency/investment metals to his/her account.

10. A client shall file the order for purchasing or selling foreign currency or investment metals to the bank that services him/her.

A client may file the order for the sale of foreign currency/investment metals to the bank upon his/her own choice (regardless of whether he/she has a current account in foreign currency or investment metals opened in this bank).

11. Nonresident legal entities and nonresident individuals may purchase foreign currency within the hryvnia balances on their own current accounts (except for investment accounts) pursuant to the order/instruction on the purchase of foreign currency without submitting documents specified in Section I paragraph four indent one hereof to the bank.

12. A bank shall not conduct currency transactions to transfer foreign currency/hryvnia for the purposes of making a foreign investment in securities issued by a foreign entity, except for:

1) purchasing securities issued by investment-grade foreign issuers whose official rating is confirmed by the bulletins of at least two leading global rating companies (Fitch Ratings, Standard & Poor's, Moody's) as of the date of the bank's purchase of these securities

2) purchasing debt securities issued abroad for the purposes of financing a loan issued to this bank by a nonresident.

12¹. A bank shall not conduct currency transactions to transfer foreign currency/hryvnia for the purposes of purchasing Eurobonds issued by Ukraine.

(paragraph 12¹ was added to Section I pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

13. A bank shall not make foreign currency settlements aimed at purchasing foreign currency government securities from residents (except banks).

14. Residents, including the authorized institutions, shall not perform currency operations of providing loans (borrowing, financial assistance) in hryvnias to nonresidents and their representative offices in Ukraine (except when banks and nonbank financial institutions grant consumer loans to nonresident individuals).

(paragraph 14 as amended according to NBU Board Resolution No. 35 dated 6 February 2019)

14¹. Banks shall be prohibited from purchasing noncash foreign currency upon the instruction/order of resident clients for the purpose of depositing the funds with a bank and/or at the account opened abroad with a foreign financial institution.

(paragraph 14¹ was added to Section I pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

14². The prohibition stipulated in Section I paragraph 14¹ hereof shall not apply to the following transactions:

- 1) individuals purchasing foreign currency to deposit the funds into their own accounts abroad
- 2) individuals purchasing foreign currency below the small-value threshold
- 3) legal entities / sole proprietors purchasing foreign currency to deposit the funds into their own accounts abroad in order to maintain their own standalone units abroad and/or to fulfil obligations under international business contracts (except for obligations to transfer the amounts of deposits to the accounts with foreign financial institutions).

(paragraph 14² was added to Section I pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

14³. Residents (except for banks) shall be prohibited from transferring foreign currency / hryvnia to their own accounts opened abroad with foreign financial institutions incorporated/domiciled in a state (territory) that is classified as offshore by the Cabinet of Ministers of Ukraine and/or declared by the Verkhovna Rada of Ukraine as an aggressor/occupier, and/or jurisdictions noncompliant or partially compliant with the recommendations of international, intergovernmental organizations that conduct activities in the area of AML/CFT and combating financing proliferation of weapons of mass destruction, and/or has strategic weaknesses in the AML/CFT area as stated by the Financial Action Task Force (FATF).

(paragraph 14³ was added to Section I pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

14⁴. Residents shall not make foreign investments by transferring funds in foreign currency / hryvnia to the nonresident's account opened in Ukraine and/or abroad if a foreign investment and/or a nonresident seller is incorporated/domiciled/residing in a state (territory) stipulated in Section I paragraph 14³ hereof.

(paragraph 14⁴ was added to Section I pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

14⁵. Residents shall not transfer foreign currency / hryvnia for the purpose of granting credits (loans, financial assistance) to nonresidents that are incorporated/domiciled/residing in the state (territory) stipulated in Section I paragraph 14³ hereof (except when banks and nonbank financial institutions credit nonresident individuals in hryvnia).

(paragraph 14⁵ was added to Section I pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

15. Banks shall not transfer hryvnia abroad on clients' instructions under current nontrade transactions (except for transactions via correspondent accounts of nonresident banks in the domestic currency of Ukraine that are opened with the banks).

(paragraph 15 in the wording of NBU Board Resolution No. 35 dated 6 February 2019)

16. Payments with regard to international economic transactions shall be performed solely via bank accounts.

Cash settlements under international business contract shall be prohibited, except for the case when, pursuant to the terms of an export agreement of a resident business entity, a nonresident business entity pays foreign currency cash to a resident individual who is on a business trip abroad in order to execute the export agreement of the resident business entity to cover operating expenses related to servicing a means of transport belonging to the resident party to the agreement (rented, chartered by the party) and is used abroad in order to fulfill the obligations of the latter under this agreement, provided that the unutilized foreign currency cash brought to Ukraine is entered in the books of the resident business entity in line with Section I paragraph 16 indent three hereof.

The unutilized foreign currency cash brought to Ukraine shall be entered in the books of the resident business entity within three days and credited to the foreign currency current account of the resident business entity (via a separate sub-ledger account of balance account 2603 *Clearing Accounts of Business Entities*, group 260 *Due to Business Entities*, section 26 *Due to Bank Clients*, class 2 *Transactions with Clients* of the Chart of Accounts of Banks of Ukraine approved by Resolution of the Board of the National Bank of Ukraine No. 89 dated 11 September 2017 as amended (hereinafter referred to as the clearing account) within five banking days since recording the foreign currency cash on the books. Receiving the foreign currency cash from the nonresident to cover operating expenses related to servicing the resident's means of transportation abroad, utilizing these funds for this purpose, and bringing the foreign currency cash to Ukraine shall be confirmed by the relevant documents.

17. Banks shall not disburse foreign currency cash via ATMs within Ukraine from clients' accounts using electronic means of payment issued by either residents or nonresidents. Such transactions shall be performed in hryvnia only.

18. Resident individuals may perform foreign currency operations to move currency valuables across the border by taking them out of Ukraine/sending them from Ukraine, with the total amount of the currency valuables exceeding the equivalent of EUR 10,000 as of the day of taking/sending the currency valuables from Ukraine, based on documents proving that:

1) the individual withdrew the cash from its own bank accounts and a receipt on the exchange transaction (in case such a transaction took place) exclusively for the amount above the equivalent of EUR 10,000 as of the day of taking/sending the currency valuables from Ukraine

2) the individual purchased investment metals from banks and/or the National Bank of Ukraine exclusively for the amount above the equivalent of EUR 10,000 as of the day of taking/sending the currency valuables from Ukraine.

Documents proving cash withdrawals by resident individuals from their bank accounts aiming to take the cash abroad shall be valid within 90 calendar days from the day when they withdrew cash from their bank accounts.

19. Restrictions/bans set by this Regulation shall not apply to foreign currency operations of IFOs, including missions of IFOs, and foreign currency operations by residents and nonresidents to purchase/exchange foreign currency and transfer foreign/domestic currency in order to make settlements with IFOs or their missions.

20. Provisions of this Regulation shall be applied taking into account requirements stipulated by the laws of Ukraine regulating relationships in the area of ensuring national security, AML/CFT or preventing financing proliferation of weapons of mass destruction, and Ukraine's adherence to its obligations under international agreements which became binding following the approval by the Verkhovna Rada of Ukraine.

The NBU Board reserves the right to take separate decisions on setting specific rules for transactions in foreign currency and currency transactions covered by this Regulation, in order to support the economic policy of the Cabinet of Ministers of Ukraine or for the reasons of the national security of Ukraine, including for satisfying certain needs of the state in order to pursue the national interests.

(the new indent was added to paragraph 20
pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

II. Settlement Deadlines for Goods Import and Export Transactions

21. Settlements under goods import and export transactions shall be made within 365 days.

22. The settlement deadlines specified in Section II paragraph 21 hereof:

1) shall not apply to the export and import of goods (including pending settlements in such transactions), if the value of such transaction (in hryvnia equivalent at the official exchange rate of hryvnia to foreign currencies set by the NBU as of the transaction date) is below the mandatory financial monitoring thresholds in accordance with the AML/CFT laws and regulations (hereinafter in Section II hereof referred to as the small value), except for the cases of splitting goods export transactions or foreign currency transactions

(paragraph 22 subparagraph 1
in the wording of NBU Board Resolution No. 35 dated 6 February 2019)

2) shall apply taking into account the recommendations of the Cabinet of Ministers of Ukraine submitted in accordance with Article 13 part one indent two of the Law of Ukraine *On Currency and Currency Operations* (hereinafter referred to as the Currency Law).

23. Settlements in goods import and export transactions by residents shall be made not later than the deadline specified in Section II paragraph 21 hereof, taking into account the requirements set in Section II paragraph 22 hereof, in full, taking into account the requirements set in Section II paragraph 22 hereof with regard to small-value goods import and export transactions (including pending settlements in such transactions). Funds received from a nonresident under a resident's goods exports operations shall be credited to the resident's bank account in Ukraine.

(paragraph 23 as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

III. Surrender of a Part of Foreign Currency Proceeds

24. Foreign currency proceeds shall be subject to mandatory sale (surrender) at the foreign exchange market of Ukraine, namely:

1) proceeds from abroad received by resident nonbank legal entities, sole proprietors, foreign representative offices (except for official missions), and those received to bank accounts opened to carry out joint activities without establishing a legal entity

2) proceeds received in the territory of Ukraine from current accounts of nonresident legal entities (except for investment accounts) by resident nonbank legal entities, sole proprietors, foreign representative offices (except for official missions), and those received to bank accounts opened to carry out joint activities without establishing a legal entity.

25. The share of foreign currency proceeds specified in Section III paragraph 24 hereof shall be subject to mandatory sale (surrender) at the foreign exchange market of Ukraine to banks and/or the NBU, with the above share being 50 percent from 7 February 2019 to 28 February 2019 and 30 percent from 1 March 2019. Residents and nonresidents shall retain the remaining foreign currency proceeds and used them in compliance with the currency legislation.

(paragraph 25 as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

26. The following foreign currency proceeds shall not be subject to surrender at the foreign exchange market of Ukraine:

1) those received in favor of the state or under state guarantees

2) those received as loans and borrowings under the international agreements entered into by Ukraine which became binding following the approval by the Verkhovna Rada of Ukraine, or granted by IFIs

3) those received by a resident borrower as loans from a foreign creditor by means of paying the accounts payable that the resident owes to a nonresident exporter in accordance with a foreign economic agreement without crediting the loan funds to the resident's bank account, provided that such loan is issued by a nonresident bank and/or with the participation of a foreign export credit agency

4) those received under projects (programs) of international technical assistance that have passed state registration

5) those received under projects implemented pursuant to the agreements between Ukraine and the European Union on the participation of Ukraine in international programs of the European Union

6) those received under international technical programs and projects registered in accordance with Article 66 parts five and six of the Law of Ukraine *On Academic and Scientific and Technical Activities*

7) those received in the form of grants from IFOs where Ukraine is a member that are provided to a resident legal entity which is financed at the expense of such grants and the management bodies of which include the participation of the government of Ukraine

8) those received in the form of cash cover (guarantee contribution, collateral, down payment, deposit, guarantee) for the purpose of the nonresident's participation in auctions/bids/tenders

9) those received as a foreign investments in Ukraine

10) those received to foreign currency correspondent accounts of nonresident banks opened in banks

11) those received under the transactions of nonresident banks placing deposits in the banks

12) those received in favor of resident intermediaries under commission, proxy, consignment, or agency agreements to be further transferred to the owners of funds. Banks servicing the owners of funds shall surrender foreign currency proceeds pursuant to this Resolution.

13) those received as charity aid in favor of their recipients

14) those returned on the initiative of a foreign beneficiary/intermediary bank provided that:

the transfer was made using client's own (nonpurchased) funds

the client's funds purchased on the foreign exchange market of Ukraine were returned within seven days after the day of their transfer by the bank. Such proceeds shall be surrendered on the foreign exchange market of Ukraine on the eighth day after the day of their transfer by the bank, provided that the resident did not violate the term of using the purchased foreign currency as stipulated in Section IV paragraph 44 subparagraph one hereof .

15) those transferred by mistake

16) those received by a resident borrower as a loan/borrowing from a nonresident under a relevant agreement, provided that the resident uses such proceeds solely for meeting its own foreign currency debt obligations towards creditors (nonresidents, banks) under other loan/borrowing agreements (repayment of a loan/borrowing, payment of interest and other payments under the loan/borrowing agreement, with mandatory compliance with the legislation of Ukraine regulating such foreign currency transactions). The foreign currency proceeds that are exempt from the surrender pursuant to Section III paragraph 26 subparagraph 16 hereof shall not be used for any other purposes.

17) those received as a loan/borrowing if the loan/borrowing is realized (fully or partially) with the participation (in the form of providing lending, insurance, guarantee, surety) of a foreign entity that has among its members (shareholders) a foreign state with the official rating of not less than Category A confirmed by the bulletin of one of the leading global rating companies (Fitch Ratings, Standard & Poor's, Moody's).

27. The surrender requirement stipulated in Section III paragraph 24 hereof shall apply to proceeds in foreign currencies that belong to group 1 of the Classifier and Russian rubles.

28. Banks shall credit in advance the clearing account with the foreign currency proceeds that are subject to surrender pursuant to Section III paragraph 24 hereof.

29. Banks shall surrender foreign currency proceeds:

1) without the customer's instruction

2) only on the business day following the day of crediting the proceeds to the clearing account.

30. Before 19:00 of the current day, using the System for Confirmation of Deals in Ukraine's Foreign Exchange Market of the National Bank of Ukraine (hereinafter referred to as the Deal Confirmation System), banks shall submit an extended order for the total amount of foreign currency to be surrendered on the following business day.

The extended instruction shall contain the information on the total amount of proceeds and the total amount of surrender by currency codes, information on the type of proceeds, and more detailed information with regard to transactions exceeding the equivalent of EUR 50,000 at the official exchange rate of the hryvnia to foreign currencies set by the National Bank of Ukraine for the current business day. In the

detailed information, banks shall indicate, in a separate entry, the legal entity's identification code/tax ID or series and number of passport, or passport number, that are recorded in the Unified State Register of Legal Entities, Sole Proprietors, and Civic Organizations, the short name of the legal entity or the last name, first name, and patronymic of a sole proprietor, currency code, and the amount of surrender.

IV. Procedure, Terms and Specific Aspects of Purchasing, Selling, Exchanging Currency Valuables, their Transfer and Use

31. Banks shall:

- 1) purchase and sell foreign currency and investment metals only at the foreign exchange market of Ukraine
- 2) exchange foreign currency and investment metals at the foreign exchange market of Ukraine and/or at the international foreign exchange market.

32. The clients of banks shall purchase and sale foreign currency for hryvnia on "forward" terms (with the delivery of foreign currency or without the delivery), and on "swap" terms solely via banks.

33. The banks shall be prohibited to purchase and sale foreign currency for hryvnia on "forward" terms (with the delivery of foreign currency or without the delivery) and engage in margin trading to purchase and sell foreign currency/investment metals for hryvnia with their clients except for the transactions with resident clients (legal entities and sole proprietors) for them to hedge against the exchange rate risk stemming from:

- 1) export and import of goods (produce, works, services, intellectual property rights and other intangible rights intended for sale/paid transfer)

(paragraph 33 subparagraph 1 as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

- 2) credit agreements (loan agreements) between a resident borrower and a nonresident lender or a bank.

34. The banks shall be prohibited to engage in swap transactions with:

- 1) resident clients, when the first leg of the transaction is selling foreign currency/investment metals to the client
- 2) nonresident clients, when the first leg of the transaction is purchasing foreign currency/investment metal from the client.

35. Banks shall be prohibited from engaging in:

- 1) currency transactions of transferring in the territory of Ukraine of investment metals from the accounts of legal entities (except for banks) to the accounts of other legal

entities (except for banks) and individuals, from the accounts of individuals to the accounts of legal entities (except for banks), and from the accounts of resident individuals to the accounts of nonresident individuals

2) sale of investment metals without physical delivery for noncash hryvnia to clients (individuals, legal entities, sole proprietors) in the amounts exceeding the small-value threshold per calendar day per bank per client. The transaction value shall be estimated using the official rates of investment metals set by the NBU on the day of the transaction.

(paragraph 35 subparagraph 2 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

36. The requirements of Section IV paragraph 35 subparagraph two hereof shall not apply to:

1) interbank transactions and sale of investment metals by the banks for the resident clients to meet their liabilities in investment metals under a credit agreement with the bank

2) legal entities/sole proprietors purchasing investment metals for noncash hryvnia, provided that such necessity is determined by the economic activity of these entities.

37. If the value of investment metal sale without physical delivery does not exceed the small-value threshold per calendar day per bank per client, a bank may carry out the transaction without filing related documents:

(paragraph 37 indent one as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

1) for individuals following the client's order or remotely-placed instructions without the documents related to the currency transaction

2) for legal entities/sole proprietors following their orders.

38. Banks are prohibited from purchasing foreign currency at the clients' instructions/order using the funds in hryvnia received by these clients as a loan.

(paragraph 38 indent one as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

The requirements of Section IV paragraph 38 indent one hereof do not apply to transactions conducted by:

1) an individual using the borrowed funds in hryvnia in order to meet his/her liabilities to the creditor bank under a consumer loan agreement in foreign currency

2) an economic agent who is a resident of Ukraine using the funds in hryvnia received by this economic agent as a government guaranteed loan in order to finance programs

approved by the Cabinet of Ministers of Ukraine related to the increase of national defense capacity and state security (within the amount of the respective government guarantee)

3) clients using the borrowed funds to purchase foreign currency in the amount below small-value threshold

(subparagraph 3 was added to paragraph 38 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

4) enterprises and institutions of the NGOs of persons with disabilities that operate under the Law of Ukraine *On Fundamentals of Social Protection of Persons with Disabilities in Ukraine* using the borrowed funds.

(subparagraph 4 was added to paragraph 38 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

39. The authorized institutions are allowed to sell cash foreign currency or investment metals with physical delivery to the individuals only if the value of transaction is below the small-value threshold per business day per bank/financial institution per individual.

A bank is allowed to sell cash foreign currency to a resident individual in the amount exceeding the small-value threshold when all of the following conditions are met simultaneously:

1) an individual buys cash foreign currency and uses it solely for the purpose of meeting his/her liabilities in foreign currency under a credit agreement with the creditor bank

2) a bank sells cash foreign currency in an amount not exceeding the amount of individual's liabilities in foreign currency under the credit agreement. The bank shall ensure that the individual strictly complies with the requirement to use the purchased cash foreign currency for its intended purpose.

The limits on the sale of investment metals do not apply to coins made of precious metals (including bullion coins of Ukraine).

40. Paragraph 40 was excluded

(pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

41. Paragraph 41 was excluded

(pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

42. Paragraph 42 was excluded

43. A bank is required to transfer the foreign currency purchased or exchanged at the clients' orders to their current accounts, except for the cases when the foreign currency is purchased or exchanged:

- 1) to cover the letter of credit
- 2) through the correspondent accounts of nonresident banks
- 3) for a resident to meet his liabilities to a nonresident under an international business contract, if the exchange of foreign currency is carried out at the international foreign exchange market.

44. A resident client is required to use:

- 1) foreign currency purchased in line with the established procedure through the bank within ten business days after the day it was transferred to his/her current account for the needs specified in the order for the purchase of foreign currency. This requirement does not apply to cases stipulated in Section IV paragraph 45 and Section V paragraph 58 hereof.
- 2) foreign currency purchased in the case stipulated in Section VII paragraph 77 subparagraph 2 of this Regulation within two business days after the day it was transferred to his/her current account for the purposes of meeting his/her liabilities to the creditor bank under a credit agreement.

The resident's order for the purchase of foreign currency / resident's contract with the bank shall include the resident's instructions to the bank to sell the purchased foreign currency that will not be transferred for its intended purpose within the aforementioned period.

Requirements of Section IV paragraph 44 hereof are not applicable to foreign currency purchased by the public authorities that are authorized to conduct pretrial investigation in order to implement the measures provided for by Article 8 of the Law of Ukraine *On Operational and Investigative Activities*, Article 5 of the Law of Ukraine *On Combating Terrorism*, and Articles 271 and 273 of the Code of Criminal Procedure of Ukraine.

(the new indent was added to paragraph 44
pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

45. Resident clients purchasing foreign currency to meet their debt obligations to nonresidents under loans (credits, reimbursable financial assistance) shall enjoy the right to accumulate purchased foreign currency until the dates of the next payment established by these contracts in current accounts with banks servicing the loans under such contracts without limitation of the term of its use as envisaged in Section IV paragraph 44 subparagraph one of this Regulation during the validity of the said contracts, provided

that the accumulated foreign currency will be used solely to meet client's own debt obligations under the said contracts and in the amount specified by the said contracts.

46. A resident client is required to transfer foreign currency purchased or exchanged at the foreign exchange market of Ukraine to meet his liabilities to nonresidents only from the resident's current account opened with a bank, except for settlements on letters of credit.

Foreign currency exchanged at the international foreign exchange market for the purpose of the resident meeting his liabilities to a nonresident under an international business contract is allowed to be transferred for intended purpose without intermediate transfer of this foreign currency to the current account of the resident opened with the bank.

47. A bank is required to sell:

1) the purchased foreign currency within five business days in case of resident customers violation of terms stipulated in Section IV paragraph 44 of this Regulation

2) the foreign currency returned to the resident's name (due to the failure to fulfill mutual obligations partially or in full) that was previously purchased and transferred to the nonresident, without the resident client's order and not later than on the next business day after the foreign currency arrived to the clearing account.

48. Requirements of Section IV paragraph 47 subparagraph 2 of this Regulation shall also apply to funds in foreign currency returned by the nonresident to a resident customer that were transferred to the nonresident out of proceeds of the received loan (credit) in foreign currency, if the resident met his liabilities under the loan agreement (credit agreement) in full or in part using the purchased foreign currency, or if, at the time of the loan repayment the resident purchased foreign currency in order to meet his liabilities under the loan agreement (credit agreement), but did not transfer these funds from the current account for the intended purpose.

The foreign currency returned by the nonresident shall be sold in an amount equal to the amount of foreign currency purchased to meet liabilities under a credit agreement. If the nonresident returns funds in tranches, these funds shall be sold until the total amount of the sold foreign currency reaches the amount of foreign currency purchased to meet the liabilities under the credit agreement.

Not later than on the next business day after the funds returned by the nonresident arrive to the clearing account, the resident client shall inform the bank that foreign currency has not been purchased or about the amount of foreign currency purchased to meet liabilities under a credit agreement, unless the funds are returned to the bank that acts as a creditor or as a servicing bank under the credit agreement. The information shall be provided in writing and shall be confirmed by the bank that acts as a creditor or as a servicing bank under the credit agreement.

49. A bank is required to sell (without transfer to the current account of the resident borrower) foreign currency purchased by the bank in accordance with Section IV paragraph 77subparagraph 2 of this Regulation transferred for intended purpose but returned by the bank servicing the credit agreement, and to do so not later than on the next business day after the foreign currency arrived to the intrabank account.

50. Requirements for the period of sale of foreign currency stipulated in Section IV paragraphs 47 - 49 of this Regulation shall not apply to foreign currencies that do not belong to Group 1 of the Classifier.

51. Requirements for the purchase, sale of foreign currency, its transfer and use, stipulated in this Section shall not apply to the transactions of an investor (permanent representative office of a foreign investor in Ukraine) under a production sharing agreement.

52. A bank is required:

1) to transfer foreign currency to the current account of the client without the client's instruction not later than on the next banking day after the day when the funds are credited to the clearing account. This requirement does not apply to funds that under Ukrainian laws and regulations shall be sold in the foreign exchange market of Ukraine.

2) following the client's instruction, to sell client's own funds in foreign currency within five banking days from the day when these funds are debited from the current account of the client. If the funds for sale are transferred by the client from another bank, the period of the foreign currency sale begins from the day when the funds are credited to the correspondent account of the bank. Restrictions regarding the period of sale of foreign currencies do not apply to foreign currencies that do not belong to Group 1 of the Classifier and to investment metals.

53. A bank servicing a client shall have the right, at the client's instructions, to collect a commission fee in hryvnia from proceeds from the sale of foreign currency or investment metals without this commission being transferred to the current account in domestic currency, if this is stipulated in the order for sale of foreign currency or investment metals.

V. Specific Aspects of Conducting Current Currency Transactions and Purchasing Foreign Currency for the Purposes of Conducting Them

54. Banks may purchase foreign currency:

1) for legal entities and sole proprietors to conduct settlements with nonresidents for goods imported to Ukraine which are subject to customs clearance in accordance with the Ukrainian legislation, provided that customs declarations are available in the electronic registers of customs declarations, which is the reason for the imports of goods and their release into free circulation in the customs territory of Ukraine under the relevant international business contract of the resident customer (except for temporary

customs declarations under which the purchase and exchange of foreign currency are not carried out)

2) to settle a bill of exchange which a resident importer used to document a debt to a nonresident under an agreement, provided that the electronic registers of customs declarations contain information on the imports of goods (which, according to the legislation of Ukraine, are subject to customs clearance) and their release into free circulation in the customs territory of Ukraine or in case of presentation of a document which, according to the terms of a foreign trade agreement, certifies that the nonresident has performed the works and the resident has received the services. The purchase and exchange of foreign currency shall not be carried out in case of customs clearance of goods via temporary customs declarations.

55. Banks may purchase foreign currency for resident customers (legal entities and sole proprietors) for making settlements with nonresidents for the import of products which is carried out without actually importing these products into the territory of Ukraine, provided that there are documents confirming the sale and the transfer of proceeds to accounts of this resident with banks of Ukraine / the use of the products outside Ukraine and documents envisaged for documentary form of settlements (in case such form of settlements is applied).

(paragraph 55 as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

56. Banks may purchase foreign currency for resident customers (legal entities and sole proprietors) in order to transfer it under some current nontrade transactions, provided that there are proving documents for the following:

1) expenses incurred by the customer:

expenses on business trips outside Ukraine

operating expenses for means of transportation that travel outside Ukraine

2) in order to make a transfer for a resident to return the remaining unused amount of charitable aid/grant as envisaged in the relevant agreement or in case of a misuse of the aid/grant provided that the funds received in Ukraine as a charitable aid have been fully sold on the foreign exchange market of Ukraine

3) in order to make social payments in accordance with agreements concluded by Ukraine with the respective countries, agreements between the Pension Fund of Ukraine and the corresponding funds of foreign countries

4) in order to make a transfer to return funds in the event of a withdrawal of settlement documents by nonresident banks. Banks may purchase foreign currency in the amount that does not exceed the amount actually transferred to the customer's account.

57. Banks may purchase foreign currency by order of a resident individual for the purpose of transferring funds from Ukraine under current nontrade transactions based on documents proving the existence of the justification/obligations of the individuals to transfer foreign currency outside Ukraine.

58. Retail customers of banks may conduct small-value transactions to purchase noncash foreign currency without any justification/obligations.

A bank may carry out such transactions (for one individual within one calendar day in one bank) based on an application or a remote order of the customer without the customer filing the documents related to currency transaction.

(paragraph 58 indent two as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

59. Banks may purchase foreign currency for resident clients in case of a seizure of original documents that prove the need for these residents to conduct settlements under foreign currency transactions if they are supported by the following documents:

- 1) copies of a ruling by the investigating judge/court on providing the temporary access to items and documents
- 2) copies of the record of seizure of the documents
- 3) copies of the seized documents and their description made by the person who seized the documents
- 4) other documents which are to be filed as part of the document package required for the purchase/exchange of foreign currency and which have not been seized.

60. Banks may purchase foreign currency for resident clients (legal entities and sole proprietors) for making settlements of these residents with a nonresident under an agreement (commission, mandate, agency agreement) which authorizes the resident to sell products, works, services in Ukraine on behalf of the nonresident. The purchase of foreign currency is carried out using the proceeds from the sale of products, works, and services in the hryvnia, subject to availability of documents confirming the sale of the respective products, works, and services.

61. Banks may purchase foreign currency for resident clients (legal entities and sole proprietors) to transfer a guarantee deposit, to take part in bids (tender, auction) which envisage the supply of goods, subject to confirmation of participation in the bids (tenders, auctions) by providing the following documents:

- 1) contracts/agreements/treaties, settlements, invoices, notification letters and other documents that are filed depending on the essence of the transaction

2) copies of the letter of consent for the transfer of funds from the relevant ministry or other central executive body authorized to manage state-owned property, certified with the signature of the head (for residents with a share of the state in the authorized capital).

62. Banks may purchase foreign currency for resident customers that are airline companies in order to make payments outside Ukraine for air navigation services charged by the European Organization for the Safety of Air Navigation (Eurocontrol) in accordance with the Multilateral Agreement Relating to Route Charges signed in Brussels on 12 February 1981 and other international agreements based on Eurocontrol invoices and the registries of flights performed by the airline.

63. Banks may purchase foreign currency for the State Treasury Service of Ukraine for key spending units (budget holders) transferred under treasury servicing / state authorities and local self-governments to perform functions set out in the laws of Ukraine in accordance with budget allocations envisaged in the State Budget of Ukraine for the given year subject to confirmation by providing the following documents:

(paragraph 63 indent one as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

1) an application/instruction to purchase foreign currency

(paragraph 63 subparagraph one
in the wording of NBU Board Resolution No. 35 dated 6 February 2019)

2) an extract from the revenue and spending plan of the State Budget of Ukraine for the relevant year

3) copies of the approved cost estimate of the key spending unit

4) a payment instruction in electronic form from the State Treasury Service of Ukraine / state and local authorities to transfer hryvnia funds for the purchase of foreign currency with the obligatory indication of the budget classification code in the field of the purpose of payment with the note "for the purchase of foreign currency".

(paragraph 63 subparagraph four as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

64. Banks may purchase foreign currency for permanent missions for the following transactions only:

1) transfer of foreign currency to the account of a nonresident legal entity whose interests are represented by this permanent mission in Ukraine within the balance of funds in the account

2) payment for expenses related to business trips outside Ukraine and operating costs of means of transportation that travel outside of Ukraine, subject to confirmation with cost calculation documents

3) payment for participation in international symposiums, workshops, conferences, exhibitions, and sport events, given that the relevant documents are provided justifying the said payment.

65. A bank shall purchase or exchange foreign currency by order of official missions and representative offices of nonresident legal entities that do not engage in business activity exclusively for the following transactions:

1) transfers of foreign currency to the accounts of the relevant authority of a foreign country and the nonresident legal entity whose interests are represented in Ukraine by this mission/representative office, within the account balances

2) payment of expenses related to business trips outside of Ukraine

3) payments of salaries (including supplement payments, salary increases, premiums and other fringe benefits) to official mission employees who are not Ukraine's citizens or do not live in Ukraine on a permanent basis, are accredited by the Ministry of Foreign Affairs of Ukraine and work under employment agreements (provided that the expense calculation is confirmed by the relevant documents).

66. In effecting the transfer of foreign currency/hryvnia under current currency transactions, the bank shall pay attention to the specifics of the client's filing the documents set in this Section for the purchase of foreign currency.

VI. Terms, Procedure, and Specific Aspects of Foreign Currency Transactions Related to the Foreign Investment Activity in Ukraine

67. In order to make investments in Ukraine, a foreign investor may:

1) transfer foreign currency/hryvnia from abroad to own accounts (current, investment, escrow, correspondent accounts) opened with the banks, including through correspondent accounts of nonresident banks opened with the banks

2) transfer foreign currency/hryvnia directly to the current/correspondent account of a resident in Ukraine from abroad

3) make settlements in the hryvnia/foreign currency in the territory of Ukraine using funds on own accounts with the banks (except current accounts of nonresident individuals) with other foreign investors/residents/nonresidents through their accounts opened with banks in Ukraine, including current/correspondent accounts of nominee holders in Ukraine opened for the nominee holders to conduct securities transactions in accordance with the Law of Ukraine On the Depository System of Ukraine (hereinafter referred to as the nominee account)

4) transfer from own accounts (other than current accounts of nonresident individuals) funds in the hryvnia and foreign currency to other foreign investors/nonresidents through a correspondent account with a bank of a foreign depository bank that has a securities account with the National Bank of Ukraine (settlements between foreign

investors shall be carried out exclusively under operations to purchase and sell Ukrainian domestic government bonds)

5) use own escrow account for the purchase of shares in line with the procedure specified in Article 65² of the Law of Ukraine On Joint Stock Companies, by transferring funds to accounts of persons entitled to receive payment for shares or by paying such persons in cash

6) transfer funds from one own account to another opened by the foreign investor with the banks

7) conduct other currency transaction in Ukraine that do not contradict laws of Ukraine and this Regulation.

67¹. In order to maintain accounting records of funds due to foreign investing banks, a bank has the right to use (if necessary) the balance sheet account 1602 *Funds for Settlements with Banks*, group 160 *Due to Other Banks*, class 1 *Treasury and Interbank Transactions* of the Chart of Accounts approved by NBU Board Resolution No. 89 (as amended) dated 11 September 2017. A bank credits and debits funds due to foreign investing banks using such account in accordance with the requirements set out herein for investment accounts.

The foreign investing banks have the right to settle, within Ukraine, with residents / foreign investors / nonresidents the transactions that are related to investments into Ukraine and their repatriation (including repatriation of profit, income, and other funds received from the investment activities of such banks in Ukraine), both through the above investment accounts and directly through their own correspondent accounts opened with banks, in accordance with the requirements set out herein.

(paragraph 67¹ was added to Section VI pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

68. Foreign investors may make settlements for investment objects in Ukraine exclusively in cashless form via accounts opened with the banks (except for the case stipulated in Section VI paragraph 67 subparagraph 5 hereof or in the case of settlements between foreign investors outside Ukraine).

69. A foreign investor may place a deposit in hryvnia / foreign currency in the bank of Ukraine on a contractual basis by transferring funds to the deposit account of a foreign investor in a bank of Ukraine from other accounts of this investor in Ukraine and / or from his accounts abroad.

The funds from the deposit account of the foreign investor may be paid:

1) to the foreign investor's accounts in Ukraine and / or abroad

2) to the investment account / current account / correspondent account of other foreign investor who has been assigned the respective rights of claim under the bank deposit agreement as to the payment of money (deposit) and interest thereon.

70. Payback of foreign investment, as well as payment of profit, income and other returns on foreign investments in Ukraine, shall be carried out:

1) from the current account / escrow account / correspondent account of the resident in foreign / domestic currency to the accounts of the foreign investor in the banks (except current accounts of nonresident individuals), foreign investor accounts abroad and / or to the account of a nominee

2) from the accounts of the foreign investor in the banks (except current accounts of nonresident individuals) in foreign / domestic currency to the accounts of other foreign investor in the banks and / or to the account of a nominee

3) from the accounts of a foreign investor (except current accounts of nonresident individuals) in foreign / domestic currency to other foreign investors / nonresidents through the correspondent account of a foreign depository bank that has a securities account with the NBU (settlements between foreign investors should be carried out exclusively on purchase and sale of domestic government bonds of Ukraine)

4) from an escrow account of a foreign investor in foreign / domestic currency to the accounts of another foreign investor / nonresident in Ukraine / abroad for the purpose of buying and selling shares in accordance with the procedure specified in Article 652 of the Law of Ukraine *On Joint Stock Companies*

5) from the investment account of a foreign investor in foreign / domestic currency to other own accounts of the foreign investor outside of Ukraine / in Ukraine.

71. Residents / foreign investors are allowed to transfer foreign currency / hryvnia from Ukraine / to accounts of foreign investors / nominees / nonresidents in Ukraine to repay foreign investments, as well as pay profit, income, and other returns on their investments in Ukraine (including the purchase of foreign currency by residents for these purposes), if they provide documented proof for:

1) transactions on paying dividends to a foreign investor / nonresident by filing:

documents confirming the right of ownership of a foreign investor to equity rights / investment certificates of a Ukrainian issuer on which the dividends are paid

issuer's decision to pay dividends to a foreign investor. It is prohibited to use for the purchase of foreign currency in order to pay dividends the amount in hryvnia that exceeds the amount of dividends to be paid to a foreign investor and is indicated in hryvnias in the issuer's decision. The NBU's official exchange rate set on the day of the transaction shall be used to calculate the amount of the relevant obligations in foreign currency in case of transfer of own (nonpurchased) foreign currency for the payment of dividends.

2) transactions with domestic government bonds of Ukraine by filing:

in case of redemption of domestic government bonds and payment of income on them in accordance with the terms of their issue, a securities account statement issued by the depositary institution confirming the rights of the foreign investor to the domestic government bonds on the date of the relevant transaction (if the investment account of the foreign investor used for the relevant transactions and the securities account where the relevant domestic government bonds are accounted for are opened with the same bank, a statement is not needed)

if a foreign investor sells domestic government bonds, uses it for repo transactions or disposes of it through a different transaction, a contract on the sale of domestic government bonds by the foreign investors and the securities account statement issued by a depositary institution, confirming the rights of a foreign investor to domestic government bonds on the date of the relevant transaction / statements on transactions with securities issued by the depositary institution, confirming the relevant transaction (if the investment account of the foreign investor used for the relevant transactions and the securities account where the relevant domestic government bonds are accounted for are opened with the same bank, a statement is not needed).

In case of buying and selling domestic government bonds at the stock exchange in Ukraine, instead of the documents envisaged by Section VI paragraph 71 subparagraph 2 indent 2 of this Regulation, residents / foreign investors have the right to file a statement from the register of exchange contracts (agreements) concluded following the results of exchange trades that confirms these transactions using the electronic trading system of the exchange. This statement shall be signed by the authorized person of the stock exchange and contain information on the terms and conditions of these contracts (number, date and type of contract, subject of bidding, its quantity and value, information on the bidder and his client foreign investor, the date of contract execution).

In case of sale and purchase of domestic government bonds placed on foreign securities account abroad, residents / foreign investors may in compliance with the requirements of Section VI paragraph 71 subparagraph 2 of this Regulation provide appropriate statements issued by a foreign financial institution that under the laws and regulations of the country where it is incorporated is allowed to provide services on stock accounting and registering of securities title transfer.

3) transactions on the mandatory sale by a foreign investor of shares pursuant to the procedure stipulated by Article 65² of the Law of Ukraine *On Joint Stock Companies* by filing:

a copy of a public irrevocable claim to purchase shares from all shareholders of the company. To conduct the relevant transaction, the bank is entitled to independently verify the existence of such a claim and the information that it contains (in the public information database on the securities market of the National Securities and Stock Market Commission on the website of the Central Securities Depository, a joint-stock company that issued shares), without requesting a copy of it from the customer.

statement from the depository institution on the securities account of a foreign investor (nonresident), confirming the write-off (transfer) of shares from this account in line with the procedure stipulated in Article 65 2 of the Law of Ukraine On Joint Stock Companies.

4) transactions on payment of term deposit to a foreign investor (including interest on the deposit), interest accrued on the balance in his investment account

5) transactions on the return to the account of a foreign investor of the funds previously sold at the foreign exchange market of Ukraine (upon instruction (order) of the foreign investor or as a compulsory sale) and not used for money investments in Ukraine

6) transactions on repayment to foreign investor of foreign investment and payment of income, profits, and other returns on investment received in Ukraine, by filing (except for cases specified in Section VI paragraph 71 subparagraphs 1-5 of this Regulation):

documents confirming foreign investments (foreign investment agreements, agreements on joint investment activity without the establishment of a legal entity, documents confirming the rights of a foreign investor to the investment object, statements of resident banks on the foreign investors' foreign investments in foreign currency / hryvnia, customs declarations on the import into Ukraine of goods for the purpose of investment and / or other documents confirming foreign investments in accordance with Ukrainian legislation). If the period between the date of the foreign investor acquiring the ownership of the investment object and the date of foreign exchange transaction on repayment to foreign investor of foreign investment and payment of income, profits, and other returns on investment received in Ukraine exceeds five calendar years, then in compliance with provisions of Section VI paragraph 71 subparagraph 6 indent 2 of this Regulation, it is sufficient to file documents confirming the rights of the foreign investor to the object of investment

agreement on repayment to foreign investor of foreign investment and payment of income, profits, and other returns on investment received in Ukraine, and / or other documents confirming the amount of monetary obligations to be paid to a foreign investor following the results of his investment activity in Ukraine

agreement on the transfer of the foreign investment object between nonresidents, which envisages settlements outside Ukraine, with documentary evidence of its execution (filed subject to the acquisition of ownership of the investment object in the specified manner). In this case, the documents filed in compliance with Section VI paragraph 71 subparagraph 6 indent 2 of this Regulation shall confirm the previously made foreign investment in Ukraine to this object of investment by its previous nonresident owner.

In case of buying and selling domestic government bonds at the stock exchanges in Ukraine, instead of the documents envisaged by Section VI paragraph 71 subparagraph 6 indent 2 and 3 of this Regulation, foreign investors (nonresidents) have the right to file a statement from the register of exchange contracts (agreements) concluded following the results of exchange trades that confirms these transactions using the electronic

trading system of the exchange. This statement shall be signed by the authorized person of the stock exchange and contain information on the terms and conditions of these contracts [including number, date and type of contract, subject of bidding, its quantity and value, information on the bidder and his client foreign investor (nonresident), the date of contract execution].

72. A bank shall adhere to the requirements specified in Section XI of this Regulation when transferring funds in domestic and foreign currency to the correspondent account of a foreign depository bank that has a securities account with the NBU with the purpose of paying back foreign investment and / or paying profits, income and other returns received by a foreign investor from the investment activities in Ukraine.

73. Investor (representative office of a foreign investor) under production sharing agreement in the territory of Ukraine has the right to purchase, exchange foreign currency for the needs under production sharing agreement [including for the purchase of equipment, materials, machinery and other goods, works and services required for the performance of work or other activities stipulated in the production sharing agreement in order to meet obligations on credit transactions and payments under these transactions (interest, commission fees, fines, penalty sanctions) in foreign currency, and for its transfer to his own current or deposit account, current or deposit accounts in Ukraine or abroad of investors (representative office of foreign investors in the territory of Ukraine) under the relevant production sharing agreement or state] following the order / instruction to purchase foreign currency.

74. Residents / foreign investors shall purchase foreign currency / transfer funds in foreign currency / hryvnia abroad / to the current account of a nonresident legal entity opened with a bank of Ukraine (other than the investment account) in order to payback foreign investments and pay income, profits, other returns on investments in Ukraine subject to the limits specified in Section IX paragraphs 91 and 93 of this Regulation.

VII. Regulatory Considerations for Certain Currency Transactions of the Clients Under Credit Agreements (Loan Agreement, Reimbursable Financial Assistance Agreement) and Crop Receipts

75. Resident customers purchase foreign currency / investment metals and/or transfer currency valuables (foreign currency / hryvnia / investment metals) abroad / to the current account of the nonresident in Ukraine (other than the investment account) to make payments to meet debt obligations of the resident borrower to the nonresident (a creditor or guarantor/surety/pledger who has met the liabilities to the nonresident creditor for a resident borrower), envisaged by the credit agreement (loan agreement, reimbursable financial assistance agreement) [repayment of the loan/credit received by the resident borrower including interests for the use of the loan/credit and other payments established in such agreement, payable to the creditor/lender, as well as the terms and conditions of the agreement on the payments in the currency different from the currency of the loan/credit] subject to:

(paragraph 75 indent one as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

1) documented proof of the availability, volumes and maturity of these liabilities by providing originals or copies of the loan agreement / credit agreement / reimbursable financial assistance agreement, additional documents / agreements that are integral parts of the loan agreement / credit agreement / reimbursable financial assistance agreement, as well as other agreements / documents related to the execution of the loan agreement / credit agreement / reimbursable financial assistance agreement and transactions under a loan agreement / credit agreement / reimbursable financial assistance agreement, including all documents that establish / change the schedule (dates and amounts) for receiving / repaying a loan (credits, reimbursable financial assistance) and other payments by the borrower under the agreement

2) documented proof of the nonresident guarantor (surety, pledger) meeting the liabilities for the resident borrower stipulated by the loan agreement / credit agreement / reimbursable financial assistance agreement with the nonresident creditor [is filed for the resident borrower transactions on satisfaction of the corresponding counter claims of the nonresident guarantor (surety, pledger)]

3) availability in the *AIS Credit Agreements with Nonresidents* of a record (with amendments, if any) on credit agreements / loan agreement / reimbursable financial assistance agreement [taking into account the documents establishing / changing the schedule (dates and amounts) for the repayment of the loan (credit / reimbursable financial assistance) and other payments by the borrower under the contract] [except for loan agreements / credit agreements / reimbursable financial assistance agreement, information on which is not subject of inclusion to the *AIS Credit Agreements with Nonresidents*].

76. Purchase of foreign currency/investment metals and/or transfer of currency valuables (foreign currency / hryvnia / investment metals) to meet liabilities of the resident borrower under a credit agreements / loan agreement / reimbursable financial assistance agreement with a nonresident (a creditor or a guarantor / surety / pledger who met the obligations for a resident borrower under credit agreements / loan agreement / reimbursable financial assistance agreement) is carried out only by the bank that (pursuant to Section I paragraph 8 of this Regulation) provides services on transactions under the agreements / loan agreement / reimbursable financial assistance agreement.

77. Resident borrowers have the right to buy and / or transfer foreign currency to meet the liabilities of the resident borrower to the bank that is a creditor under a credit agreement through:

1) the bank servicing the credit agreement (the primary creditor bank; the bank identified as the principal in the banking consortium or each of its participating banks within the amounts provided; the new creditor bank or the bank servicing the transactions under the relevant credit agreement in case of replacement of a creditor under a credit agreement / liquidation procedure of the primary creditor)

2) any other bank chosen by the resident borrower. A bank may buy foreign currency in the amount determined by the resident borrower and transfer it to the current account of the resident borrower opened with this bank. The foreign currency purchased within the period set in Section IV paragraph 44 subparagraph 2 of this Regulation shall be transferred to meet the liabilities of the resident borrower to the creditor bank under a credit agreement. The excess amount of the payment made by the resident borrower using the purchased foreign currency shall be returned by the bank servicing the credit agreement to the bank through which such foreign currency was purchased for further sale in accordance with Section IV paragraph 47 subparagraph 1 of this Regulation.

78. Residents-debtors under financial crop receipt (a public or private executor, in case of the crop receipt enforcement) carry out currency transactions to purchase foreign currency and/ or transfer funds in foreign currency/ hryvnia from their own accounts abroad/ to the current account of a nonresident legal entity in Ukraine (except investment account) in order to meet liabilities to a nonresident creditor under such mentioned crop receipts in line with the following documents:

- 1) copies of financial crop receipt notarized and drawn up according to a form meeting the requirements of the Law of Ukraine *On Crop Receipts*
- 2) extract regarding such agrarian receipts from the Registry of Crop Receipts
- 3) contract based on which the financial crop receipt is issued
- 4) documented proof of the full or partial fulfillment of a contract/ agreement, based on which the financial crop receipt is issued, as regards the resident-debtor obtaining the funds/ goods from the creditor to whom the said crop receipt is issued (notification from the bank about the transfer to the resident's account of the adequate amount of funds, customs declaration about the delivery of products to the resident, and/ or other documents stipulated by the contract/ agreement, certifying the fulfillment of obligations by the creditor to the resident-debtor under this receipt). Resident borrower purchases and transfers funds in case of partial fulfillment by a creditor of the obligations under the agreement based on which the financial crop receipt was issued within the amount of such partial fulfillment of obligations.

VIII. Terms, Procedures and Specific Aspects of Currency Transactions in Insurance Activities

79. Insurers, licensed by the NBU to engage in currency transactions specified in Article 9 part 2 paragraph 3 of the Currency Law, may conduct settlements in foreign currency in the territory of Ukraine under life insurance contracts with insured persons (persons entitled to receive insurance payment), including the purchase of foreign currency at the foreign exchange market of Ukraine to fulfill obligations under such contracts.

(paragraph 79 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

80. Resident insurers make purchase of foreign currency/ transfer of funds from their own accounts in foreign currency/ hryvnia to the benefit of nonresidents with the purpose of:

- 1) carrying out settlements under insurance/ reinsurance contracts with nonresidents (insurers, insured persons, reinsurers, reinsured persons, persons entitled to insurance indemnity, insurance payment, redemption amounts and other claims rights to insurers)
- 2) conducting settlements with nonresidents under contracts to extend services (assistance) by the latter under insurance transactions according to contracts with effect extending into foreign jurisdictions.

81. Resident insurers may purchase foreign currency to cover part of insurance reserves in foreign currency under life insurance contracts within the limits established by Ukrainian legislation, provided insurers bear liability for corresponding insurance liabilities in foreign currency.

In such cases, to conduct purchase of foreign currency, insurers must provide a notification (letter) to the bank, in arbitrary form, signed by the manager, chief accountant and the actuary, containing the calculation of the amount of foreign currency to be purchased to cover foreign currency reserves in line with life insurance contracts drawn by the insurer, and indicating the amount of the formed insurance reserves in the relevant currency and the actual amount of available foreign currency within the insurer's assets.

82. Motor (Transport) Insurance Bureau of Ukraine (hereinafter – the MTIBU) may purchase foreign currency/ transfers funds to the nonresidents:

- 1) to pay insurance indemnity on behalf of an insurer that is a MTIBU member, on behalf of an owner and/or a user of a vehicle registered in Ukraine under the Rules of the International Motor Insurance Card System (the Green Card System)
- 2) to pay to a nonresident of insurance indemnity according to Article 41 paragraphs 41.1 and 41.2 of the Law of Ukraine On Compulsory Insurance Against Civil Liability in Respect of the Use of Land Motor Vehicles.

83. The MTIBU may purchase foreign currency to cover a part of centralized insurance reserves of the MTIBU in foreign currency within the limits set by the laws and regulations of Ukraine, if the MTIBU is liable for its insurance obligations in foreign currency. The MTIBU purchases foreign currency to cover the insurance guarantee fund within the limits of received deductions stipulated by the laws and regulations of Ukraine, to this centralized insurance reserve fund from insurance payments under additional contracts of compulsory civil liability insurance. The amounts of foreign currency to cover the insurance guarantee fund are set up as the minimum size of this fund according to the Law of Ukraine *On Compulsory Insurance Against Civil Liability in Respect of the Use of Land Motor Vehicles*.

In such cases, to purchase foreign currency, the MTIBU must provide the bank with a notification (letter) (in no particular form) signed by the manager, chief accountant and the actuary and containing calculation of the amount of foreign currency to be purchased to cover the part of the MTIBU centralized insurance reserves in foreign currency.

84. Permanent representative offices of insurance (reinsurance) nonresident brokers and insurance (reinsurance) resident brokers may purchase foreign currency at the interbank foreign exchange market of Ukraine to conduct settlements under reinsurance contracts entered into with nonresident reinsurers and/ or reinsured nonresidents with intermediation of such insurance brokers.

Permanent representative offices of insurance (reinsurance) nonresident brokers also have the right to purchase foreign currency for hryvnia received for the services provided in the insurance sector in Ukraine, with a view to transfer the said foreign currency to the account of a nonresident legal entity whose interests the aforementioned permanent representative offices represents in the territory of Ukraine.

85. The insurers, the MTIBU, the permanent representative offices of insurance (reinsurance) nonresident brokers and insurance (reinsurance) resident brokers shall comply with the requirements/limits set in Section VIII hereof when conducting currency transactions.

86. Residents [except the insurers, the MTIBU, the permanent representative offices of insurance (reinsurance) nonresident brokers and insurance (reinsurance) resident brokers] may purchase foreign currency/ conduct transfers to the benefit of nonresidents as the payments under insurance transactions (payment of insurance premiums, contributions, reimbursement of damages, and losses) adhering to the procedures for conducting current currency transactions/ currency transactions as defined in this Regulation and other NBU regulations.

IX. Limits

87. Residents/nonresidents/foreign investors shall purchase foreign currency/ transfer foreign currency/hryvnia abroad/to the current account of a nonresident legal entity opened in Ukraine (save for investment accounts) within the limits stipulated in Section IX paragraphs 88, 89, 91 and 93 hereof.

88. Resident individuals are allowed to effect currency transfers from Ukraine/to current accounts of nonresident legal entities opened in Ukraine (save for investment accounts) to meet their liabilities to a nonresident under a life insurance contract/ invest abroad/ send funds to their own accounts outside Ukraine / extend loans (reimbursable financial aid) in foreign currency during a calendar year for the total amount not exceeding EUR 50,000 inclusive (or equivalent in other foreign currency/ hryvnia at the official NBU exchange rate of hryvnia to foreign currency set by the NBU as of the date of the transaction).

(paragraph 88 indent one as amended
by NBU Board Resolution No. 35 dated 6 February 2019)

The limit set in Section IX paragraph 88 indent one hereof shall apply to currency transactions of individuals, provided the said transactions are effected by the individuals for their own needs and are not related to their business activities.

89. Residents (legal entities/sole proprietors) are allowed to effect transfers from Ukraine/to current accounts of nonresident legal entities opened in Ukraine (save for investment accounts), during a calendar year for a total amount not exceeding the aggregate of EUR 2,000,000 inclusive (equivalent of this amount in other foreign currency/ hryvnia at the official NBU exchange rate of hryvnia to foreign currencies set by the NBU as of the date of the transaction).

90. The limit set in Section IX paragraph 89 hereof does not apply to the following transactions of residents (legal entities/sole proprietors) listed below:

1) banks' own transactions

2) current currency transactions (save for transactions under donation agreements, payments of premiums, bonuses, prizes, and pecuniary aid)

3) transactions on discharging liabilities under guarantees, sureties, pledges, as well as refunds by a resident borrower to a nonresident guarantor (warrantor) who has executed the guaranteed obligation of the resident borrower before the creditor (resident or nonresident). The exemption specified in Section V paragraph 90 subparagraph 3 hereof may be applied, provided the limit set in Section IX paragraph 89 hereof does not apply to the discharge of the principal commitment under the relevant agreement secured by a guaranty, surety or a pledge.

4) transactions on discharging liabilities under financial crop receipts, leasing, factoring, insurance/reinsurance transactions, and rent or labor agreements

5) transactions on discharging debt liabilities to nonresidents under loans (reimbursable financial aid) received by residents, including transactions conducted via accounts of resident borrowers opened abroad

6) payment to foreign investors / nonresidents of the foreign investment(s) into Ukraine as well as profits, revenues (including dividends), and other returns received by the foreign investors / nonresidents on their investment activity in Ukraine

(paragraph 90 subparagraph 6 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

7) transactions with IFOs or to their benefit

(paragraph 90 subparagraph 7 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

8) transactions in cases specified in international agreements of Ukraine

9) transfers of foreign currency outside Ukraine by investors (foreign investor's representative office in Ukraine) to other investors under the relevant product sharing agreements

10) transfers of guarantee deposits to participate in trading (tenders, auctions) implying delivery of goods (commodities, works, services, intellectual property rights and other nonproperty rights for sale/paid transfer).

91. The banks may (under own transactions and transaction of clients) purchase/transfer foreign currency / hryvnia to pay abroad / to the current accounts of nonresident legal entities opened in Ukraine (save for investment accounts) the funds received by foreign investors / nonresidents from selling securities, corporate rights, funds received through decrease of authorized capital of legal entities, and foreign investors' withdrawal from economic entities only if all the following conditions are met simultaneously:

(paragraph 91 indent one as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

1) purchase/transfer of foreign currency / hryvnia for this purpose is effected by a resident [a purchaser of securities / corporate rights; a legal entity whose authorized capital decreases / where participating foreign investors withdraw; an intermediary (commissioner, attorney)], or a foreign investor

(paragraph 91 subparagraph one as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

2) within a calendar month, a person specified in Section IX paragraph 91 subparagraph 1 hereof effects purchase/transfer of foreign currency for this purpose for the total amount not exceeding EUR 5,000,000 (equivalent of this amount in another foreign currency/ hryvnia at the official NBU's hryvnia exchange rate to foreign currency set up by the NBU as of the date of the transaction)

(paragraph 91 subparagraph two as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

3) an entity specified in Section IX paragraph 91 subparagraph 1 hereof effects purchase/transfer of foreign currency/hryvnia for this purpose via a single bank (selected by the said person). To transfer the servicing of such transactions to a new bank, the client shall submit a written application to this bank, taking into account the requirements of Section I paragraph 8 hereof.

92. The limit set in Section IX paragraph 91 hereof does not apply to the purchase/transfer of foreign currency / hryvnia for the purpose of repaying funds:

1) to investment accounts of foreign investors in Ukraine. Any further transfer of such funds from an investment account – abroad and/or to the current account (except for investment accounts) of a nonresident – shall be made within the limit set out in Section IX paragraph 91 hereof.

2) abroad from the current accounts (save for investment accounts) of nonresidents

3) received by foreign investors from selling Ukrainian government bonds at stock exchanges and over the counter, as well as selling debt / listed securities at stock exchanges.

(paragraph 92 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

93. Banks may (in their own transactions and transactions of their clients) purchase/transfer foreign currency / hryvnia to pay dividends to a foreign investor / nonresident abroad / to the current accounts of nonresident opened in Ukraine (except for investment accounts), when all the following conditions are met simultaneously:

(paragraph 93 indent one as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

1) dividends are paid on corporate rights / shares and are accrued for year of 2018 or an earlier period

(paragraph 93 subparagraph 1 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

2) purchase/transfer of foreign currency/hryvnia to pay dividends is carried out by the issuer of corporate rights/shares on which dividends are paid or by a custodian servicing the securities account of a foreign investor/nonresident, or directly by a foreign investor

3) within a calendar month, an entity mentioned in Section IX paragraph 93 subparagraph two hereof purchases/transfers foreign currency/hryvnia to repay dividends for the total amount not exceeding EUR 7,000,000 (equivalent of this amount in another foreign currency/hryvnia at the official NBU exchange rate of hryvnia to foreign currencies set up by the NBU as of the date of the transaction)

4) an entity specified in Section IX paragraph 93 subparagraph two hereof effects purchase/transfer of foreign currency to pay dividends via a single bank (selected by the said entity). To transfer the servicing of such transactions to a new bank, the client shall submit a written application to this bank, taking into account the requirements of Section I paragraph eight hereof.

(paragraph 93 subparagraph four sentence one as amended by NBU Board Resolution
No. 35 dated 6 February 2019)

93 ¹. The limit set in Section IX paragraph 93 hereof does not apply to the purchase/transfer of foreign currency / hryvnia for the purpose of repaying funds:

1) to investment accounts of foreign investors in Ukraine. Any further transfer of such funds from an investment account – abroad and/or to the current account (except for

investment accounts) of a nonresident – shall be made within the limit set out in Section IX paragraph 93 hereof.

2) abroad from the current accounts (save for investment accounts) of nonresidents.

(paragraph 93¹ was added to Section IX pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

94. Banks are obliged to perform residents' currency transactions subject to limits specified in Section IX paragraphs 88 and 89 hereof (hereinafter in this Section – Currency Transactions) via *E-limits* AIS.

95. The residents initiating the Currency Transaction shall apply to the banks where they have their own current account and submit relevant documents confirming the Currency Transaction.

96. Documents mentioned in Section IX paragraph 95 hereof are not required when residents send their funds to their own accounts outside Ukraine and in the case described in Section I paragraph 5 hereof.

97. If the documents (information) submitted by the resident (initiating party) meet the requirements to Currency Transactions under Ukrainian law, the bank shall send an e-request to the NBU via the *E-limits* AIS to check client's limits and to enter information on the Currency Transaction to the *E-limits* AIS.

98. The request mentioned in Section IX paragraph 97 hereof shall contain the following:

1) information about the resident initiating the Currency Transaction:

family name, first name, patronymic (if available), the taxpayer identification number (except for the individuals refusing to accept taxpayer ID because of their religious beliefs, who duly notified the relevant authority and have a corresponding entry in their passports/ e-card, or passports bearing the word "refusal"), passport series and number, date of birth – for resident individuals

full name, legal entity ID from the Unified State Register of Enterprises and Organizations of Ukraine (EDRPOU) – for resident legal entities

2) information about the purpose of the Currency Transaction:

sending funds to their own accounts outside Ukraine

investments abroad

extending loans or reimbursable financial assistance to a nonresident

other Currency Transaction, not mentioned in Section IX paragraph 98 subparagraph two four hereof (in such cases, the bank additionally enters brief general information, in no particular form, about the purpose of the currency transaction via *E-limits* AIS)

3) information about the amount of the Currency Transaction:

name of the foreign currency/ hryvnia to be transferred

amount of transaction in the mentioned foreign currency/ hryvnia

4) information about the recipient of transferred funds abroad and details of the account:

name/ family name, name and patronymic (if available) of the transfer recipient

country of domicile/ permanent residence of the transfer recipient

name and country of domicile of the foreign financial institution where the account of the transfer recipient is opened.

99. Based on the request submitted by the bank, provided the Currency Transaction meets the established limit, the NBU automatically enters the information about the Currency Transaction to *E-limits* AIS and sends a notification to the bank via *E-limits* AIS informing that the total amount set as a limit for the resident has been decreased by the amount of the Currency Transaction (hereinafter – the Notification).

The date (day) and number of the Notification received by the bank is the date (day) and number of registry entry in *E-limits* AIS.

100. The bank shall have the right to perform a Currency Transaction only after receiving the Notification from the NBU via *E-limits* AIS and not later than the next business day after the bank receives the Notification.

101. The NBU shall neither enter information on a Currency Transaction to *E-limits* AIS nor send the Notification to the bank in response to the bank's request, if the Currency Transaction is above the limits set in Section IX paragraphs 88 and 89 hereof. The bank shall be prohibited to perform a Currency Transaction, if it has not received the Notification.

102. The NBU cancels the Notification by updating the entry in *E-limits* AIS on the basis of the submitted electronic request to *E-limits* AIS by the bank to which the Notification was previously sent:

1) in case of technical errors in the bank's request that was sent to check the client's limit and to enter information about the Currency Transaction to *E-limits* AIS. The bank's submission of e-request to *E-limits* AIS to cancel the Notification is allowed in such cases prior to performance of the currency transaction specified in the relevant request.

2) if the Currency Transaction that the bank requested through *E-limits* AIS and for which received the Notification has not been performed. In this case, the bank must send an e-request to *E-limits* AIS to cancel the Notification no later than on the second business day after the Notification is received.

3) in case a payment under the Notification is returned. The bank shall submit an e-request to *E-limits* AIS to cancel the Notification within five business days from the day of the receipt of a written statement (letter) from a resident (the party initiating the currency transaction) about the return of the payment.

103. Information about the NBU's sending or cancelling the Notification shall be communicated to the banks by giving them access to the relevant information in *E-limits* AIS.

104. Banks inform the resident initiating the currency transaction about the NBU's Notification or its cancellation by providing information to such residents from *E-Limits* AIS, including information about the resident, the foreign currency transaction (its purpose, its amount, the recipient), the date (day) and number of Notification received by the bank, and (if cancelled) reasons for the Notification cancellation.

105. The NBU shall send and cancel the Notification free of charge.

106. Residents initiating foreign currency transactions enjoy the right to send to the bank that receives the Notification on the foreign currency transaction with a written request (including, e-messages) signed by the said resident (for legal entities – signed by the authorized person) to receive information from *E-limits* AIS about the receipt and/or cancellation of the Notification. A resident shall set up an e-signature to the e-request, as required by the Regulation *On the Electronic Signature in the Banking System of Ukraine* approved by NBU Board Resolution No. 78 dated 14 August 2017.

Based on written requests of a resident, a bank must provide such information from *E-limits* AIS within five business days from the day of receiving the request. The bank shall store residents' requests to receive information from *E-limits* AIS.

X. Terms, Procedures and Specifics Aspects of Transactions on Current Accounts of Bank Clients

107. To perform transactions in foreign currency or hryvnia, a bank's client (resident and nonresident) may use the following current accounts depending on the nature of economic activity:

- 1) accounts of the resident economic entities (legal entities or sole proprietors)
- 2) private accounts of the individuals (residents and nonresidents) for their own needs
- 3) accounts of the individuals for independent professional activities
- 4) accounts of the official missions

- 5) accounts of the representative offices of nonresident legal entities not engaged in business activities (including representative offices of foreign banks), institutions (program management groups or international technical assistance (TA) projects)
- 6) accounts of the international organizations' entities
- 7) accounts of the permanent representative offices
- 8) accounts of the nonresident legal entities
- 9) accounts of the foreign investors (investment accounts).

108. Banks shall credit foreign currency to clients' current accounts through clearing accounts in the cases stipulated herein. Investment metals shall be credited to client accounts without the use of clearing accounts.

109. The foreign currency current accounts of resident economic entities (legal entities and sole proprietors) can be used to effect transactions that are compliant with the Ukrainian law, including:

- 1) transactions with foreign currency cash / checks
- 2) transactions under international business contract (agreements). Settlements under international business contracts through e-payments shall be prohibited except when such payments are effected under one international business contracts within one operational day and the transaction amount does not exceed a small-value threshold
- 3) transactions with sovereign Eurobonds
- 4) transactions on granting to a nonresident / receiving from a nonresident reimbursable financial assistance and its repayment using a nonresident's account opened in Ukraine or abroad

(paragraph 109 subparagraph four in the wording of NBU Board Resolution No. 35 dated 6 February 2019)

4¹) transactions under credit agreements with nonresidents [money transfers outside Ukraine to issue a loan to a nonresident; crediting of the funds received from abroad as a loan, a loan from a nonresident; repayment of a loan using a nonresident's account opened in Ukraine and/or abroad (including interest and other payments on servicing the loan as established by the credit agreement)]

(subparagraph 4¹ was added to paragraph 109 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

5) repayment of funds by nonresidents to whose benefit such funds were transferred earlier

- 6) transactions on the basis of commission agreements, orders, consignments or agency agreements
 - 7) receiving and transferring humanitarian aid in line with the procedure stipulated by Ukrainian law
 - 8) crediting charity contributions from nonresidents (including via their representative offices) and their repayment, if so provided for by the agreement
 - 9) crediting funds received under intergovernmental agreements and technical assistance (TA) projects from nonresident legal entities, and their repayment, if so provided for by the relevant agreements and TA projects
 - 10) crediting funds from nonresidents to lawyers and other resident companies under proceedings run by such companies according to their statutory activities and licenses
 - 11) mandatory payments to foreign judicial, investigative, arbitration, notary and other authorities (including payments of taxes, duties and other mandatory payments) in foreign countries and payments to cover expenses of foreign lawyers in cases of judicial or criminal litigation abroad
 - 12) transfers under agreements to resident legal entities acting as agents of nonresident legal entities in accordance with the Merchant Shipping Code of Ukraine to pay to the captain of a ship owned by a nonresident ship-owner for operational needs
 - 13) foreign investments, return of foreign investments, as well as revenues, profits, and other funds received from investment activities. It is prohibited to conduct such transactions using e-payment means.
 - 14) transfers from accounts of permanent representative offices of nonresidents in Ukraine, if the purpose of funds arriving from abroad says that under the agreement the funds belong to the said resident
 - 15) currency valuables trading
 - 16) payments/repayments of funds allocated for overseas business trips
 - 17) receipts/redemptions of loans (including interest and other payments on servicing the loan) under loan agreements with banks / nonbank financial institutions
- (paragraph 109 subparagraph 17 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)
- 18) transfers/crediting funds from the own current/deposit account (including interest accrued on the balance of own current/deposit account)

19) crediting funds transferred from the account of humanitarian aid recipient to the account of humanitarian aid beneficiary (including interest accrued on the balance of funds arriving at the account as humanitarian aid)

20) transfers to own escrow accounts and crediting funds repaid therefrom

21) transfers related to joint investment activity with nonresident investors without setting up a legal entity (crediting transfers from the account to conduct joint investment activity in case when such activity terminates/ transfers to this account)

22) transfers abroad as payments for study, participation in conferences and exhibitions

23) transfers to individuals of funds received by resident lawyer agencies from abroad in line with orders of individuals related to the proceedings run by the mentioned lawyer agencies in line with their respective statutory activities

24) transfers abroad in the name of individuals temporarily staying outside Ukraine on a long-term business trip or studying, as labor payments (or as scholarships)

25) transfers to the state and local budgets in line with the law of Ukraine

(paragraph 109 subparagraph 25 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

26) transfers of foreign currency outside Ukraine to pay entrance and membership fees, as one-time or regular payments to maintain ongoing operation of nonresident legal entities

27) deposits to banks of Ukraine as subordinated debt/ repayment of such funds under the agreement

110. Crediting funds as specified in Section X paragraph 109 subparagraphs 15–21, 25 and 27 hereof shall be performed directly to the current accounts of resident legal entities. Crediting other proceeds shall be performed through a clearing account.

(paragraph 110 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

111. The following transactions are performed on foreign currency current accounts of resident legal entities:

1) crediting funds received from sales of goods in accordance with the Ukrainian law

2) crediting funds transferred by the legal entity that established a standalone unit

3) transfers to pay for business trips expenses of their employees, as well as to cover operational needs of their own (leased, freighted) vehicles abroad when they remain outside Ukraine

4) transfers of funds to purchase goods intended for their own use under contracts (agreements) with nonresidents.

Within five business days after being credited to the current account of a standalone unit (including the crediting day), foreign currency proceeds for sold goods shall be transferred in full to the current account of the legal entity owing the standalone unit (via a clearing account opened by a bank for this legal entity) and must not be used for other purposes specified in Section X paragraph 111 subparagraphs 3 and 4 hereof.

112. Funds from the foreign currency current account of a standalone unit of a legal entity licensed by the NBU to conduct foreign currency transactions may be used to conduct such foreign currency transactions within the scope of authority conferred by the legal entity to its standalone unit.

(paragraph 112 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

113. Crediting funds to the foreign currency current account of a resident sole proprietor and transfers of funds from this account are performed under the regular procedure for the foreign currency current account of a resident legal entity, as specified in Section X paragraphs 109 and 110 hereof.

Transfers of foreign currency amounts from the current account of a resident sole proprietor to his/her private foreign currency current account shall be prohibited.

114. Funds at the current account of an individual engaged in independent professional activity are used according to the procedure established for current accounts of economic entities herein.

115. Funds to be credited to the benefit of state (confiscated, ownerless, accepted for safekeeping by customs authorities in cases stipulated in the Ukrainian law, lost or left in hotels, on board, in theaters, other public places, if their owners do not apply for them within the period established by Ukrainian legislation, inherited, or donated to the state) shall be credited to separate current accounts in domestic currency and in foreign currency of resident legal entities duly authorized in line with the law of Ukraine. Transactions under such accounts are performed according to requirements of the law of Ukraine.

116. Transfers of funds from domestic currency accounts of individuals to the accounts of nonresident individuals shall be prohibited, except for transfers to

1) investment accounts

2) accounts of nonresident individuals in case of independent execution of a court decision/ ruling or order of other authorities (officials) subject to enforcement by the resident individual borrower

3) accounts of nonresident individuals in case they sell their own property within the territory of Ukraine to resident individuals, provided such property is neither an object of foreign investment nor leased.

4) accounts opened for a resident individual as for a nonresident based on the information about departure of such individual abroad for permanent residence that has been added as a stamp / as data to contactless electronic media to Ukrainian passport / Ukrainian passport for travel abroad, in the amount of balance of the account of such resident individual (due to closing of the account of such resident individual)

(subparagraph 4 was added to paragraph 116 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

5) accounts of nonresident individuals in the event of repayment by a resident individual of the loan / reimbursable financial assistance under the loan agreement with a nonresident (including interest and other payments on servicing the loan as established by the agreement)

(subparagraph 5 was added to paragraph 116 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

117. The following transactions are performed through domestic currency current accounts of nonresident individuals:

1) paying labor remuneration, state assistance and social benefits paid from the compulsory national social insurance fund, and pecuniary aid to employees, reimbursement of private expenses during business trips, royalties, premiums, prizes received from a resident legal entity or a representative office of a nonresident legal entity[including cash received in Ukraine as royalty, provided the copyright transfer agreement is presented]

2) receiving revenues (profits) from their business in Ukraine transferred from their current account opened for business, after payment of taxes, duties and other legally stipulated payments

3) crediting refunds/allocations by the Deposit Guarantee Fund (DGF), the DGF's authorized person, when conducting bank liquidation procedures

4) compensation of damages incurred to workers due to crippling

5) crediting funds from selling their own property in Ukraine, provided the property is neither an object of foreign investment nor a leased property

6) receiving funds as inheritance

7) crediting/transferring funds based on court decisions/ rulings or decisions of other authorities (officials) subject to enforcement

- 8) transfers of funds to compensate expenses of judicial, investigative, notary, and other competent authorities
- 9) payment of taxes and duties and refunds of over-paid taxes and duties
- 10) payments of insurance and membership fees and refunds of insurance amounts
- 11) transfers/crediting funds from their own current and deposit accounts opened for own needs (including receipts of interest accrued on balances of their own current and deposit accounts)
- 12) crediting funds transferred from own investment accounts / transfers of funds to own investment account

(paragraph 117 subparagraph 12 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

- 13) crediting funds transferred from the current account of another nonresident individual
- 14) transfers to a current or deposit account of another individual
- 15) currency valuables trading
- 16) transactions with domestic currency cash and checks
- 17) crediting/ transfers of funds earlier erroneously (excessively) transferred/ credited. The mentioned funds shall be credited/transferred in the amount not exceeding the earlier transferred/credited one.
- 18) deposits to/repayments from banks of Ukraine as subordinated debt and the ones added to the bank's capital

- 19) transfers of charity contributions to the current account of a charity organization
- 20) transactions with certificates of deposit of the bank where the account is opened, as well as repayments of inherited certificates of deposit and payments of interest on them

(paragraph 117 subparagraph 20 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

- 21) receiving funds under a donation agreement
- 22) payments for lease, purchase of goods, and receipt of services and works in Ukraine
- 23) revenues from liquidation of legal entities.
- 24) transactions related to extending reimbursable financial assistance to residents and its repayment

(subparagraph 24 was added to paragraph 117 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

25) crediting funds transferred by a resident to repay the loan under the loan agreement between a resident borrower and a nonresident (including interest and other payments on servicing the loan as established by the agreement)

(subparagraph 25 was added to paragraph 117 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

26) receipt of consumer loans within Ukraine and repayment of them (including interest and other payments on servicing the consumer loan as established by the agreement)

(subparagraph 26 was added to paragraph 117 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

27) purchase/sale of foreign issuers' securities circulating in Ukraine

(subparagraph 27 was added to paragraph 117 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

28) crediting the balance pursuant to Section X paragraph 116 subparagraph four hereof.

(subparagraph 28 was added to paragraph 117 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

118. The following transactions that do not contradict Ukrainian laws are performed via foreign currency accounts of resident individuals:

(paragraph 118 indent one as amended by NBU Board Resolution No. 35 dated 6 February 2019)

1) transactions with cash foreign currency (crediting to the account by the account owner, transfers to their own accounts or accounts of relatives in Ukraine, transfers abroad, cash payments, except payment of funds received from nonresidents as a loan or reimbursable financial assistance), and checks

2) crediting foreign currency transferred from abroad / transfers of foreign currency outside Ukraine

(paragraph 118 subparagraph two as amended by NBU Board Resolution No. 35 dated 6 February 2019)

3) crediting to their own private current (opened for their own needs) or deposit accounts in foreign currency (including crediting the amount of interest accrued on the balances at their own current and deposit accounts)/ and transfers from such accounts

4) transfers to/from their own escrow accounts in foreign currency for settlements with nonresident investors

5) transfers within Ukraine to accounts of other resident individuals/ with crediting funds from other individuals (resident or nonresident) from their own foreign currency current accounts. The said transactions are allowed solely provided the receipts/transfers of funds to/from accounts are from/to relatives.

6) payment/repayment of allowances and expense coverage for business trips

7) foreign investments to Ukraine (transfers from/to investment/escrow accounts of nonresident investors or to their accounts with foreign banks)

8) currency valuables trading

9) margin trading

10) transactions with certificates of deposit (including funds credited as received from redemption of inherited certificates of deposit and accrued interest)

(paragraph 118 subparagraph 10 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

11) transactions with Ukraine's treasury bonds and domestic government bonds denominated in foreign currency

12) crediting funds earlier erroneously (excessively) transferred from the account/ repayment of erroneously (excessively) received funds. The mentioned funds are transferred from this account/ credited to this account in the amount not exceeding the earlier received/ transferred one.

13) crediting funds transferred to the account holder under the order of a nonresident legal entity through a resident legal entity (intermediary) in line with international agreements stipulating the receipt by resident individuals of awards, premiums, prizes and other payments from nonresidents from abroad for the use of their works, inventions, discoveries in accordance with the Ukrainian law

14) receiving the inherited funds and the ones under donation agreements

15) crediting funds based on court rulings or decisions of other authorities (officials) subject to enforcement

16) crediting funds transferred by a lawyer or a law firm (association) representing interests of the account owners abroad engaged in settling cases of inheritance, pensions, alimony, compensation of damages, insurance indemnity

17) crediting funds transferred from the account of the resident intermediary (attorney, commissioner), funds of the foreign investor received from selling of an investment

object in Ukraine by the owner of this account. Crediting funds under such transactions is allowed in case funds arrive from a foreign investor from outside Ukraine.

18) transfers of funds to be deposited in banks of Ukraine as subordinated debt with further crediting these funds to bank capital, and their repayment

19) receipts of funds in the form of revenues, profits, other funds under transactions with securities issued by foreign issuers and circulating in Ukraine

20) transfers of funds to repay outstanding loans in foreign currency (including interest, commissions, penalties according to the law of Ukraine)

21) transfers of funds to creditors to execute debtor's liabilities under surety agreements

22) transfers outside Ukraine to nonresidents as compensations for executed guarantees or sureties

23) transfers to a resident intermediary's account, who on behalf of the account holder or foreign investor and based on a commission agreement or order sells/purchases a foreign investment object in Ukraine owned by a foreign investor

24) transactions on extending to a nonresident / receiving from a nonresident any reimbursable financial assistance and repaying it through a nonresident's account opened in Ukraine or abroad

(subparagraph 24 was added to paragraph 118 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

25) transactions under loan agreements with nonresidents [issuing a loan to a nonresident borrower through the money transfer outside Ukraine; receipt of a loan by the account's owner from a nonresident by crediting of funds transferred from abroad; repayment of such loans through the nonresident's account opened in Ukraine and/or abroad (including interest and other payments on servicing the loan as established by the loan agreement)].

(subparagraph 25 was added to paragraph 118 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

119. The following transactions are conducted via current foreign currency accounts of nonresident individuals:

1) transfers of funds from/to Ukraine. Transfers from Ukraine may also be effected from a deposit account without interim crediting to the current account.

(paragraph 119 subparagraph one as amended by NBU Board Resolution No. 35 dated 6 February 2019)

2) transactions with cash foreign currency (depositing by the account owner, remittances to own account or account of relatives in Ukraine, transfers abroad, cash payments) and checks

3) crediting salaries (including supplement payments, salary increases, premiums, and other fringe benefits) to the official mission's employees, who are not Ukraine's citizens or do not live in Ukraine on a permanent basis, are accredited by the Ministry of Foreign Affairs of Ukraine and work under employment agreements, as well as redemptions of their expenses abroad while on a business trip.

4) crediting author's royalties, premiums and prizes

5) crediting funds transferred to compensate expenses during business trips abroad

6) crediting funds from own current or deposit accounts opened for own needs, and transfers of funds to such accounts (including crediting interest accrued on balances of funds at own current and deposit accounts)

7) crediting funds within Ukraine by another nonresident individual/transfers within Ukraine to a current or deposit account of another resident or nonresident individual. The said transactions are allowed solely provided the receipts/ transfers of funds to/ from accounts are from/to relatives.

8) crediting funds transferred from own investment accounts/ transfers of funds to own investment account

9) transactions with certificates of deposit (including funds credited as redemption of inherited certificates of deposit and accrued interest)

(paragraph 119 subparagraph nine as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

10) currency valuables trading

11) transfers of funds to be deposited to banks of Ukraine as subordinated debt with further incorporating them into bank's capital, and their repayment

12) transfers to accounts of resident legal entities as payments of duties, fees or collateral/ repayments of paid duties, fees or collateral

13) crediting funds based on court rulings or decisions of other authorities (officials), subject to enforcement

14) crediting funds received as inheritance and according to donation agreements

15) crediting funds earlier erroneously (excessively) transferred from the account/ repayment of erroneously (excessively) received funds. The mentioned funds are

transferred from this account/ credited to this account in the amount not exceeding the earlier received/ transferred one.

16) transfers to repay debt to a resident under the loan agreement (including interest and other payments on servicing the loan as established by the credit agreement), as well as to repay reimbursable financial assistance received from a resident

(paragraph 119 subparagraph 16 in the wording of NBU Board Resolution No. 35 dated 6 February 2019)

17) transfers to creditors to execute debtor's liabilities under surety agreements

18) transfers abroad to nonresidents as compensations for executed guarantees or sureties

19) transfers to pay duties, taxes, and other compulsory payments

20) transactions related to extending reimbursable financial assistance to a resident and its repayment

(subparagraph 20 was added to paragraph 119 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

21) crediting funds transferred by a resident to repay the loan under the loan agreement between a resident borrower and a nonresident (including interest and other payments on servicing the loan as established by the agreement)

(subparagraph 21 was added to paragraph 119 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

22) crediting the balance in the account of a resident individual whose Ukrainian passport / Ukrainian passport for travel abroad contains information about departure abroad for permanent residence, which have been added as a stamp / as data to the contactless electronic media.

(subparagraph 22 was added to paragraph 119 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

120. The domestic currency current accounts of official missions, offices of nonresident legal entities that conduct no business activities (including representative offices of foreign banks) and institutions (program management teams or management teams of international assistance and international technical assistance projects) opened for effecting settlements and financing charity events in Ukraine can be used for the following types of transactions:

1) foreign currency trading

- 2) crediting funds received by embassies and consular offices for delivered consular services, including cash
- 3) insuring property and transportation vehicles of a representative office in Ukraine, as well as life and health insurance of employees of the said representative offices, including payments as compensations
- 4) crediting funds received from selling or leasing the property belonging to the representative office in Ukraine
- 5) cash payments to cover expenses of resident individuals having signed labor agreements with nonresident legal entities about their employment outside Ukraine related to their transiting through the territory of Ukraine in case of leaving its territory, and repayment of unused remainder amounts
- 6) crediting funds transferred within Ukraine from an own current or deposit account / transfers to an own current or deposit account [including crediting interest accrued on the balance of an own current or deposit account]

(paragraph 120 subparagraph six in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

- 7) crediting funds of refunded VAT resulting from purchase by the representative office of property for its own use in the territory of Ukraine in domestic currency
- 8) crediting funds received as a result of court decisions or other authorities' (officials') decisions subject to enforcement
- 9) crediting funds received by a nonresident bank's representative office in Ukraine from the correspondent account of this nonresident bank in domestic currency opened with a bank in Ukraine in line with the procedure stipulated herein
- 10) crediting funds earlier erroneously (excessively) transferred by the representative office (mission) from the said account, returned by economic entities because of failure to execute or partial execution of their liabilities under agreements drawn by the representative offices to pay expenditures related to running such office; funds from resident legal entities earlier transferred by the representative office from such account to their benefit as charity contributions/transferring from such accounts of erroneously (excessively) received funds. The mentioned funds are credited to the representative office (mission) account/ transferred from such account in amounts not exceeding the earlier transferred/ received ones.
- 11) transfers by an official mission, representative office of a nonresident legal entity, and by a representative office of a nonresident bank of charity contributions to the benefit of resident legal entities according to Ukraine's law

12) transfers for the purposes stipulated by charters of an international organization and its branches, enjoying immunity and diplomatic privileges, and by charters of representative offices of nonresident legal entity

13) transfer of funds to implement programs and projects of international assistance and international technical assistance by organizations or institutions (program or project management teams)

14) settlements in Ukraine related to maintaining operation of a mission, organization, or institution (including wages, rent, purchasing and maintaining equipment and vehicles, renovation of the building or the room of a mission, institution, or organization), as well as exercising representative functions.

(subparagraph 14 was added to paragraph 120 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

121. The current account funds may be used by an official mission, a representative office of a nonresident legal entity, a representative office of a foreign bank, an organization, or an institution (a management team of a program or a project) for charitable activities in Ukraine.

122. The domestic currency current accounts of permanent representative offices are used in line with the rules set for the current accounts of nonresident legal entities (including for crediting the account with interest on the remaining balance of the account), save the foreign currency purchases in the foreign exchange market of Ukraine.

Investment into Ukraine from this type of account shall be prohibited.

The funds available on the domestic currency current accounts of permanent representative offices may be used by a permanent representative office for foreign currency purchases in the foreign exchange market of Ukraine, only if the purchased foreign currency is to be transferred to:

1) the account of the nonresident legal entity whose interests in Ukraine are represented by this representative office, in the amount of:

the funds received during the purchase and sale of goods, including the funds received by the permanent mission of a nonresident insurance (reinsurance) broker during the purchase and sale of services in Ukraine as provided for by Article 15 of the Law of Ukraine *On Insurance*

(paragraph 122 subparagraph one as amended by NBU Board Resolution No. 35 dated 6 February 2019)

the accrued and credited interest on the deposits and on the account balance

the account balance (after all taxes, fees, and other mandatory payments are paid) in case the activities in Ukraine are ceased, which is confirmed by the relevant documents

2) an own current account in foreign currency with a Ukrainian bank to be used for:

payment of allowance for business trips abroad and operating expenses for means of transportation that travel outside Ukraine

(paragraph 122 subparagraph two in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

payment for participation in international symposia, workshops, conferences, expositions, and sport events, given that the relevant documents are provided justifying the said payment.

123. The deposits of permanent representative office to the deposit accounts with Ukrainian banks shall be made from a domestic currency current account of this representative office and repaid with the interest accrued to the same account.

124. The foreign currency current accounts of official missions, representative offices of nonresident legal entities that conduct no business activities (including representative offices of foreign banks) and institutions (program management teams or management teams of international assistance and international technical assistance projects) can be used to make transactions that are compliant with the Ukrainian law, including:

1) cash and check transactions

2) foreign currency trading

3) payment/repayment of expenses coverage for business trips abroad.

(paragraph 124 subparagraph three as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

4) crediting funds received from abroad in the name of the account holder through banks (including transfers for the purpose of implementation of international programs and technical assistance projects)

5) crediting funds transferred within Ukraine in line with the laws of Ukraine

6) crediting funds in the amount of interest accrued on the balance of an own current account

7) other inflows to the account holder's account that do not violate the laws of Ukraine

8) payment of salaries, including supplement payments, salary increases, premiums, and other fringe benefits, to the employees of official missions, if these individuals are not Ukraine's citizens or do not live in Ukraine on a permanent basis, are accredited by the

Ministry of Foreign Affairs of Ukraine and work in Ukraine under employment contracts, by crediting the accounts of these employees opened with Ukrainian banks or in cash

9) transfers of funds for the final settlement with resident individuals that have signed a contract (agreement) with a nonresident legal entity on the employment outside Ukraine

10) transfers of funds out of Ukraine to the accounts of nonresident legal entities under a contract (agreement) that envisages the purchase of equipment required for implementation of projects under the current international agreements on humanitarian and technical and economic cooperation

11) transfers of funds outside Ukraine to the accounts of appropriate foreign public authorities and legal entities whose interests are represented by these representative offices (including the account closure)

12) transfers of funds to the account of a resident legal entity as a charitable contribution

13) crediting funds transferred within Ukraine from an own current or deposit account / transfers to an own current or deposit account

(paragraph 124 subparagraph 13 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

14) transfers outside Ukraine to fulfil obligations on paying for the goods that are required for carrying out functions that the mission is entrusted with.

(subparagraph 14 was added to paragraph 124
pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

125. Official missions have the right to use the foreign currency cash from the current accounts to pay salaries, including supplement payments, salary increases, premiums, and other fringe benefits, to the employees, who are not Ukraine's citizens or do not live in Ukraine on a permanent basis, are accredited by the Ministry of Foreign Affairs of Ukraine and work under employment agreements (provided that the expense calculation is confirmed by the relevant documents).

126. The foreign currency current accounts of permanent representative offices are used to make the following types of transactions:

1) cash and check transactions

2) foreign currency trading

3) payment/repayment of expenses coverage for business trips abroad.

(paragraph 126 subparagraph three as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

4) crediting the funds received from abroad for the account holder through Ukrainian banks

5) crediting funds transferred within Ukraine in line with the laws of Ukraine

6) crediting funds transferred within Ukraine from an own current or deposit account / transfers of funds to an own current or deposit account (including interest accrued on the balance of an own current or deposit account)

(paragraph 126 subparagraph six as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

7) transfers to a resident legal entity if the purpose of a funds transfer from abroad states that this resident is entitled to these funds under an agreement (a contract)

8) transfers of funds to the bank account of a resident legal entity as a charitable contribution

9) transfers outside Ukraine to the accounts of nonresident legal entities whose interests are represented by these permanent representative offices (including the account closure)

10) crediting other earnings that do not violate the laws of Ukraine

11) payment for participation in international symposia, workshops, conferences, expositions, and sport events.

(subparagraph 11 was added to paragraph 126
pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

127. The foreign currency current accounts of nonresident legal entities are used to perform the following types of transactions:

1) settlements with residents for export/import of goods (products, services, work, intellectual property rights and other intangible rights intended for sale or paid transfer)

2) settlements with residents under loan agreements related to fulfilment of debt obligations to the account holder on a loan obtained by a resident borrower (repayment of a loan, payment of interest, and other payments under a loan agreement)

(paragraph 127 subparagraph two as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

3) transactions related to foreign investments into Ukraine and their repatriation (including repatriation of profit, income, and other funds received from the investment activities of foreign investors in Ukraine)

- 4) crediting funds based on court rulings or decisions of other authorities (officials), subject to enforcement
- 5) payment of taxes, duties and other charges
- 6) transfers to/from own account(s) of the nonresident opened with banks in Ukraine/abroad
- 7) making deposits and their repayments, including paying interest on deposits, and transactions with the account balances
- 8) transfers from/to current account(s) of other nonresident legal entities in Ukraine
- 9) transfers from/to current account(s) of other nonresidents abroad
- 10) foreign currency trading
- 11) transfers to/from current account(s) opened for the own representative offices in Ukraine
- 12) crediting interest accrued on balances of their own investment accounts
- 13) crediting funds previously erroneously transferred to the account, as well as refund of erroneously received funds
- 14) settlements with customs, tax and other agencies as provided for by the law of Ukraine
- 15) securities transactions of nominee holders of securities according to the Law of Ukraine *On Depository System of Ukraine*
- 15¹) transactions related to extending reimbursable financial assistance to/by a resident and its repayment

(subparagraph 15¹ was added to paragraph 127 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

- 15²) receipt of a loan under a credit agreement with a bank / nonbank financial institution

(subparagraph 15² was added to paragraph 127 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

- 15³) transfers to repay debt to a resident under a credit agreement (including interest and other payments on servicing the loan as established by a loan agreement)

(subparagraph 15³ was added to paragraph 127 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

16) transactions (transfers) permitted hereby to be effected from/to current account(s) of residents to/from account(s) of nonresidents abroad.

128. The following transactions may be performed with the nonresident legal entity's current account in domestic currency:

1) settlements with residents for export/import of goods (products, services, work, intellectual property rights and other intangible rights intended for sale or paid transfer)

2) settlements with residents under loan agreements related to fulfilment of debt obligations to the account holder on a loan obtained by a resident borrower (repayment of a loan, payment of interest, and other payments under a loan agreement)

(paragraph 128 subparagraph two as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

3) transactions related to foreign investments into Ukraine and their repatriation (including repatriation of profit, income, and other funds received from the investment activities of foreign investors in Ukraine), as well as on purchase and sale of foreign issuers' securities circulating in Ukraine

(paragraph 128 subparagraph three as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

4) transactions under guarantees/sureties issued by the account holder that guarantee discharge of liabilities of resident borrowers to resident creditors

5) transactions under guarantees/sureties issued by the account holder that guarantee discharge of liabilities of resident borrowers to nonresident creditors (provided that the liability of the resident borrower that is backed with a guarantee/surety arises from the agreements/transactions specified in Section X paragraph 128 subparagraphs 1–3 hereof)

6) transactions under guarantees issued by a resident guarantor (bank, nonbank financial institution) that guarantee discharge of liabilities of resident borrowers to account owner (provided that liabilities of the resident borrower secured by the guarantee result from agreements/transactions set out in Section X paragraph 128 subparagraphs 1–3)

7) transactions related to discharging claims of the account holder as a creditor through selling the collateral for hryvnias or paying the insurance holder indemnity under insurance agreements in Ukraine in case of failure by the resident borrower to fulfill its obligations under the relevant agreement (provided that the creditor's rights of claim under obligations of the resident debtor under the agreements/transactions specified in Section X paragraph 128 subparagraphs 1–3 hereof)

8) transactions of the DGF or the DGF's authorized person related to discharging claims of nonresident creditors as part of the bank liquidation procedure

9) transactions based on court rulings or decisions of other authorities (officials), subject to enforcement

10) payment of taxes, duties and other charges

11) transfers to/from own account(s) of the nonresident opened with banks in Ukraine and abroad

12) making deposits and receiving repayments, including paying interest on deposits, and transactions with the account balances

13) transfers from/to current account(s) of other nonresident legal entities in Ukraine

14) currency valuables trading

15) transactions with the liquidator of the legal entity to discharge claims of a nonresident creditor (account holder) as part of the liquidation procedure of this legal entity

16) transferring funds to/from current account(s) opened for their own representative offices in Ukraine

17) securities transactions of nominee holders of securities according to the Law of Ukraine *On Depository System of Ukraine*

18) crediting interest accrued on balances of own investment account

19) crediting funds previously erroneously transferred to the account as well as refund of erroneously received funds

20) settlements with customs, tax and other agencies as provided by the law of Ukraine

20¹) transactions related to extending reimbursable financial assistance to residents by the account holder and its repayment

(subparagraph 20¹ was added to paragraph 128 pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

21) payments for account maintenance services of a bank of Ukraine.

129. A nonresident legal entity shall perform the transactions not mentioned in Section X paragraphs 127 and 128 hereof through the current account of the permanent representative office in Ukraine of this nonresident legal entity.

130. A bank in Ukraine, acting as a supervision agent supervising currency transactions of its clients (nonresident legal entities) as required in Section X paragraphs 127 and 128 hereof, is obliged to previously credit funds transferred to this client to the clearing account (save funds received under foreign currency trading transactions on the foreign

exchange market of Ukraine and transferred from other accounts of this client as interest accrued on account balances of the client).

A bank in Ukraine shall be permitted to transfer funds from the clearing account to the current account of the client (nonresident legal entity), provided the bank has documents (information) verifying compliance of this client's transactions with laws of Ukraine and this Regulation. If such documents (information) are missing, the bank is obligated to return funds to the payer.

The timeframe for presenting funds received for the benefit of the client (nonresident legal entity) on the account set out in Section X paragraph 130 indent one hereof shall not exceed three business days (disregarding the day of crediting funds to this account).

131. The accounts of Specialized Institutions of the United Nations (the International Bank for Reconstruction and Development etc.) operating exclusively under the *UN Convention on Privileges and Immunities of Specialized Agencies* (of 21 November 1947) are not limited by any financial controller, rules or moratoria of any nature in line with section 7 of the said UN Convention.

132. The investment account of the foreign investor in domestic currency shall only be used in line with laws of Ukraine for:

- 1) foreign investments in Ukraine, repatriation of foreign investments, proceeds, profits, other funds received by the foreign investor on investments in Ukraine
- 2) foreign currency trading
- 3) crediting/transferring funds from/to other accounts of the foreign investor in Ukraine/abroad
- 4) crediting funds transferred by other nonresidents from abroad/from current accounts in Ukraine on the order of the holder of the investment account for investments in Ukraine
- 5) crediting funds from the deposit account to the account of a different foreign investor with a bank in Ukraine resulting from assignment of claim by this foreign investor in favor of the investment account holder under the bank deposit agreement as to payment of the deposit and the accrued interest
- 6) interest accrual on balances on the investor's own investment account
- 7) crediting amounts previously erroneously transferred from this account
- 8) settlements with customs, tax and other agencies as provided by laws of Ukraine
- 9) settlements with residents (professional stock traders, appraisers, notaries, authorized persons, commission agent, and other residents/nonresidents) for goods (products, services, and works) associated with foreign investment or repatriation of the same, as

well as with maintenance (servicing) of foreign investees (investment objects) in Ukraine

10) paying for an account maintenance services of a bank of Ukraine

11) refunds of erroneously received amounts.

133. A bank in Ukraine acting as a supervision agent supervising currency transactions of its client (foreign investor) is obliged to preliminary credit funds in hryvnia (save for gains on foreign currency trading on the foreign exchange market of Ukraine transferred from own investment account/escrow account/ deposit account of this foreign investor) received for the benefit of this client

1) to a separate sub-ledger account 1919 *Other Accounts Payable under Transactions with Banks*, group 131 *Accounts Payable under Transactions with Banks*, Section 19 *Accounts Payable under Transactions with Banks*, class 1 *Treasury and Interbank Transactions of the Chart of Accounts of Ukrainian banks* approved by NBU Board Resolution No. 89 (as amended) dated 11 September 2017 (hereinafter referred to as account 1919) for transactions of a foreign investment bank

2) to a clearing account for transactions of a foreign corporate investor (save for foreign banks)

3) to a separate sub-ledger account 2622 *Funds for Settlements with Clients*, group 262 *Retail Demand Deposits*, section 26 *Due to Clients*, class 2 *Client Transactions of the Chart of Accounts* (hereinafter referred to as account 2622) for transactions of an individual foreign investor.

A bank in Ukraine shall be permitted to transfer funds from this account to the investment account of the foreign investor, provided the bank has documents (information) verifying compliance of this foreign investor's transactions in domestic currency with laws of Ukraine and this Regulation. If such documents (information) are missing, the bank is obligated to return funds to the payer.

The timeframe for presenting funds in hryvnia transferred to foreign investors on the account set out in Section X paragraph 133 subparagraphs 1–3 hereof shall not exceed three business days (disregarding the day of crediting funds to this account).

134. The investment account of the foreign investor in foreign currency shall only be used in line with laws of Ukraine for:

1) foreign investments in Ukraine, repatriation of foreign investments, proceeds, profits, other funds received by the foreign investor on investments in Ukraine

2) foreign currency trading

3) crediting/transferring funds from/to other accounts of the foreign investor in Ukraine/abroad

- 4) crediting funds transferred by other nonresidents from abroad on the order of the holder of the investment account for investments in Ukraine
- 5) crediting funds from the deposit account to the account of a different foreign investor with a bank in Ukraine resulting from assignment of claim by this foreign investor in favor of the investment account holder under the bank deposit agreement as to payment of the deposit and the accrued interest
- 6) interest accrual on balances on the investor's own investment account
- 7) crediting amounts previously erroneously transferred from this account
- 8) settlements with customs agencies as provided by laws of Ukraine
- 9) refunds of erroneously received amounts.

135. Foreign investors shall not use investment accounts for issuing loans and reimbursable financial assistance to residents, receiving funds from residents as discharge of debts to nonresidents under loans and reimbursable financial assistance. Such transactions may be performed (as necessary) on other current accounts of the foreign investor in Ukraine or abroad.

135¹. The bank, with the aim of exercising currency supervision over compliance with the Ukrainian law of domestic currency transfer by a resident client from the resident client's own current account to the nonresident's current account, reserves the right (if necessary) to preliminary credit such hryvnia amounts to account 1919. The bank transfers funds from account 1919 in favor of a nonresident, provided that the bank has the documents (information) confirming eligibility of the payment. If the bank has no such documents (information), the bank shall return the amount to the client's current account no later than on the third business day after the initiation of such transfer.

(subparagraph 135¹ was added to Section X
pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

135². The bank, with the aim of exercising currency supervision over domestic currency transactions of their resident clients with nonresidents, reserves the right (if necessary) to preliminary credit the hryvnia amounts that are transferred to current accounts of such resident clients from nonresidents' current accounts opened with banks:

- 1) to a clearing account for transactions of a corporate client
- 2) to account 2622 for transactions of a retail client.

The bank shall transfer funds from the clearing account / account 2622 to the current account of a resident client, provided that the bank has documents (information) verifying compliance of the domestic currency transaction with laws of Ukraine and this Regulation. If the bank has no such documents (information), the bank shall return funds to the payer.

The timeframe for presenting funds in hryvnia transferred to a resident client on the clearing account / account 2622 shall not exceed three business days (disregarding the day of crediting funds to this account).

(subparagraph 135² was added to Section X pursuant to NBU Board Resolution No. 35 dated 6 February 2019)

XI. Procedure for Performing Transactions through Correspondent Accounts of Resident and Nonresident Banks in Foreign Currency and Correspondent Accounts of Nonresident Banks in Ukrainian Domestic Currency

136. The correspondent account of a bank in foreign currency with another bank (resident, nonresident) shall be used for the transactions that are compliant with laws of Ukraine, including:

- 1) transactions on trading currency valuables
- 2) transactions on depositing and repaying deposits, including paying interest on deposits, and transactions with the account balances
- 3) foreign currency cash trading
- 4) transactions on crediting funds to the account in favor of the bank itself, other residents and nonresidents
- 5) transfers under own transactions and on instructions of the bank's clients (residents and nonresidents)

137. The correspondent account of the nonresident bank in foreign currency with another bank shall only be used for transactions that are compliant with laws of Ukraine, including:

- 1) transactions on trading currency valuables
- 2) transactions on depositing and repaying deposits, including paying interest on deposits, and transactions with the account balances
- 3) crediting funds to the account in favor of the bank itself and its clients
- 4) transfers under the bank's own transactions and under the instructions of its clients.

138. The correspondent account of a nonresident bank in domestic currency with another bank shall only be used for:

(paragraph 138 indent one as amended by NBU Board Resolution No. 35 dated 6 February 2019)

- 1) settlements with residents and nonresidents for export and import of goods (products, services, works, intellectual property rights and other intangible rights intended for sale or paid transfer)
- 2) transactions of residents with nonresidents under loan agreements, where a nonresident issues a loan to a resident borrower and/or a resident borrower discharges of liabilities under the loan before the nonresident (repayment of a loan, interest payment, and other payments set forth by a loan agreement)
- 3) transactions related to foreign investments into Ukraine and their repatriation (including repatriation of profit, income, and other funds received from the investment activities of foreign investors in Ukraine)
- 4) transactions under guarantees/sureties issued by nonresident guarantors/surety providers and ensure discharge of liabilities of resident borrowers to resident creditors
- 5) transactions under guarantees/sureties issued by the nonresident guarantors/surety providers that guarantee discharge of liabilities of resident borrowers to nonresident creditors (provided that the liability of the resident borrower that is backed with a guarantee/surety arises from the agreements/transactions specified in Section XI paragraph 138 subparagraphs 1–3 hereof)
- 6) transactions under guarantees issued by a resident guarantors (bank, nonbank financial institution) and ensure discharge of liabilities of resident borrowers to nonresident creditors (provided that liabilities of the resident borrower secured by the guarantee result from agreements/transactions set out in Section XI paragraph 138 subparagraphs 1–3 hereof)
- 7) transactions on discharging claims of a nonresident creditor by selling the collateral for hryvnias or paying to the nonresident the insurance indemnity under insurance contracts in Ukraine, should the resident borrower fail to discharge liabilities under the relevant agreement (provided that the right of claim of the creditor to the resident borrower have arisen from the agreements/transactions set out in Section XI paragraph 138 subparagraph 1–3 hereof)
- 8) transactions of the DGF or the DGF's authorized person related to discharging claims of nonresident creditors as part of the bank liquidation procedure
- 9) transactions under the court rulings or decisions of other authorities (officials) subject to enforcement
- 10) transactions on payment of taxes, duties, and other charges in accordance of laws of Ukraine and/or foreign states

(paragraph 138 subparagraph 10 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

- 11) transfers to/from own correspondent accounts of this nonresident bank opened with banks/the NBU
- 12) making deposits and receiving repayments, including interest accrued on deposits and account balances
- 13) transfers from/to correspondent accounts of other nonresident banks
- 14) currency valuables trading
- 15) transactions of the liquidator of the legal entity to discharge claims of nonresident creditors as part of the liquidation procedure of this legal entity
- 16) transfers by this nonresident bank to the current account opened for its own representative office or branch in Ukraine
- 17) purchase/sale of domestic government bonds, paying interest thereon and redemption thereof
- 18) securities transactions of nominee holders of securities according to the Law of Ukraine *On Depository System of Ukraine*
- 19) transactions on payment/receipt of commission fee
- 20) transfers from abroad to nonresidents' accounts in Ukraine
- 21) transfers from nonresidents' accounts in Ukraine to nonresidents' own foreign accounts.

139. Settlements between the residents of Ukraine via correspondent accounts of nonresident banks in domestic currency shall be prohibited.

Transfers in domestic currency from a client of a resident bank to correspondent accounts of nonresident banks shall be performed from the client's own account.

140. Transactions via correspondent accounts in domestic currency of nonresident banks shall be carried out solely on the instructions of funds owners and within the balance available at the beginning of the business day (with regard to the amounts of deposits and interest on them, which return into the bank's correspondent account within this business day). Hryvnia loans to nonresident banks shall be prohibited.

141. All the transactions performed within a bank's business day should be presented in the correspondent account of a nonresident bank.

142. A bank, with the aim of exercising currency supervision over compliance of clients' domestic currency transfers in favor of nonresidents with the Ukrainian law, shall be obliged to preliminary credit the hryvnia amounts into account 1919. The amounts may be then transferred by the bank from this account in favor of a nonresident, provided that

the bank has the documents (information) confirming eligibility of the payment. If the bank has no such documents (information), the bank shall return the amount to the client's current account no later than on the third business day after the initiation of such transfer.

(paragraph 142 in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

143. The requirements of Section XI paragraph 142 hereof do not apply to the following:

- 1) transfers from special-purpose budget allocations under residents' agreements
- 2) settlement with central banks of foreign countries
- 3) transfers of repayment and interests under Ukraine's domestic government bonds, where the NBU is involved in a transaction.

144. A bank, with the aim of exercising control over its customer's transactions in domestic currency, shall be obliged to preliminary credit the hryvnia amounts received by the customer from the correspondent account of the nonresident bank to:

- 1) to account 2622 for transactions of a retail client
- 2) the clearing account in other cases.

145. The timeframe for accounting the hryvnia amounts transferred to the bank's client into the account specified in Section XI paragraph 144 subparagraphs one and two hereof shall not exceed three business days (disregarding the day of crediting the funds into this account).

The nonresident bank shall transfer the hryvnia amounts from the account specified in Section XI paragraph 144 subparagraphs one and two hereof into the account of a receiving client:

- 1) provided the documents confirming eligibility of the transaction on receiving the amounts from the domestic currency correspondent account of a nonresident bank are available. If the documents are not available (or they fail to comply with the laws) the bank shall be obliged to return the funds into the correspondent account of the nonresident bank (specifying the reasons for the return).
- 2) provided documents confirming eligibility of receiving the amounts from the domestic currency correspondent account of the nonresident bank are not available, if the same nonresident entity is a payer and a recipient of the said amounts.

146. The nonresident bank has the right to purchase foreign currency in the foreign exchange market of Ukraine, using its own or its clients' domestic currency available in its correspondent account opened with a bank, taking into account the following:

1) The purchase of foreign currency can be made via any resident bank (regardless whether the correspondent account is opened by the nonresident bank with this particular bank).

2) The resident bank purchases foreign currency based on a request/order of the nonresident bank for foreign currency purchase. When purchasing foreign currency, the nonresident bank is not required to submit any additional documents to the bank. The purchase of foreign currency from the correspondent account in domestic currency of the nonresident bank under liquidation shall be made on the instruction of the authorized person effecting liquidation of this nonresident bank.

3) The purchased foreign currency shall be transferred into the nonresident bank's own correspondent account opened with any bank or a nonresident bank outside Ukraine, or, in case a nonresident bank is under liquidation, into another account specified by the authorized person effecting liquidation of the nonresident bank.

147. The payment instruction in hryvnia for transferring funds via the correspondent account in domestic currency of a nonresident bank must contain the details on the purpose of the payment, which shall encompass the comprehensive information about:

1) the payment [including the code of a country of domicile / residence of the nonresident payer/recipient, transaction code (according to the standard classification in the balance of payments)]

(paragraph 147 subparagraph 1 as amended by
NBU Board Resolution No. 35 dated 6 February 2019)

2) the supporting documents for transferring hryvnia amounts via the correspondent accounts of the nonresident banks. A reference to the foreign economic agreement/contract/other document confirming eligibility of the transaction shall not be required in case the same nonresident entity is a payer and a recipient.

148. When transferring funds to a nonresident via correspondent accounts of nonresident banks in domestic currency, the resident bank servicing the payer shall check availability of the documents confirming eligibility of the payment and the correctness of the payment instruction form.

Paragraph 148 indent two was excluded

(pursuant to
NBU Board Resolution No. 35 dated 6 February 2019)

149. Upon receiving the funds in favor of bank's clients from the domestic currency correspondent accounts of nonresident banks, the bank maintaining the account of the client that received the hryvnia amounts shall check the correctness of the payment instruction form and, after crediting the funds into the clearing account, shall demand that the receiving client provide the necessary documents confirming eligibility of the receipt of these funds.

Paragraph 149 indent two was excluded

(pursuant to
NBU Board Resolution No. 35 dated 6 February 2019;
and therefore, indents three and four
shall be indents two and three respectively)

In the event that the bank obtained payment instructions from the nonresident bank that is the owner of the correspondent account to perform its own transactions, it shall check eligibility of carrying out these transactions (availability of such transaction in the list of transactions specified in Section XI paragraph 138 herein) and the correct form of the payment instruction.

The bank shall request a nonresident counterparty to clarify the details in the payment instruction, if the nonresident bank's payment instruction contains inaccurate (or incomplete) details that are to be specified in the payment instruction pursuant to Section XI paragraph 147 hereof.

(paragraph 149 indent three in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

150. The European Bank for Reconstruction and Development (EBRD) reserves the right to use its own correspondent accounts in domestic currency to make transactions in hryvnia between the EBRD and residents/nonresidents within the statutory activities of the EBRD in Ukraine under the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990 and international agreements between Ukraine and the EBRD, including:

- 1) transactions under a loan agreement between the EBRD and a resident borrower in hryvnia (including interests, representative offices and penalties specified in the agreement)
- 2) transactions related to the bank's extending an interbank loan to the EBRD and its repayment (including payments of interests, representative offices and penalties specified in the agreement)
- 3) transactions under Ukraine's international agreements
- 4) transactions related to foreign investment into Ukraine for the purposes of statutory activities of the EBRD based on the decisions of the EBRD Board of Directors and on the internal procedures of the EBRD
- 5) transactions related to the EBRD fulfilling its liabilities in hryvnia as a guarantee/surety provider on behalf of a resident debtor before a resident creditor (including a fee payment for the guarantee issuance, funds transfer by the EBRD to a resident creditor under the hryvnia liabilities of a resident debtor secured by the guarantee/surety, resident's refund of the transfer made by the EBRD under the provided guarantee/surety)

- 6) insurance indemnity payments by the EBRD under a property insurance contract
- 7) transactions related to satisfaction of claims of the EBRD as a creditor through the sale of collateral for hryvnia in case a resident debtor fails to fulfill the liabilities
- 8) transactions of the EBRD making a deposit on the account opened with a resident bank and repayment of a deposit attracted by the EBRD (including interest)
- 9) transactions under a subordinated loan agreement on the EBRD's lending to a resident bank
- 10) payments for products, work, and services under the relevant agreements (including payments for legal and notary services and services of registrars, payments under insurance contracts, and stock exchange representative offices) that are made for the purposes of official activities of the EBRD in Ukraine
- 11) money transfers (in the unlimited volume) to a current account opened for the EBRD's office in Ukraine
- 12) sale/purchase of foreign currency for hryvnia
- 13) transactions from the list specified in Section XI paragraph 138 hereof, save as set forth in Section XI paragraph 150 hereof
- 14) other transactions compliant with the laws of Ukraine within the EBRD's official activities in Ukraine.

151. Within the framework of agreements between the EBRD and Ukraine, the EBRD is entitled to make payments from its correspondent domestic currency account on behalf of a resident payer under contractual obligations of the latter before a resident or nonresident counterparty (under agreements for purchase/sale of goods, works, services). The payments shall be done to the domestic currency current account of the payee (resident counterparty or permanent representative office of a nonresident in Ukraine effecting settlements with a nonresident counterparty under the agreement with a resident payer).

The bank maintaining the current account for a permanent mission of a nonresident in Ukraine that receives funds from the EBRD's hryvna correspondent account shall monitor such payment transaction as specified in Section XI paragraphs 144 and 145 hereof.

152. The payment instruction for a hryvnia money transfer from/to the EBRD's correspondent account in domestic currency must bear the reference number and the date of the agreement between the EBRD and the resident/nonresident, transaction subject, and transaction code. In the case specified in Section XI paragraph 151 hereof, the EBRD's payment instruction shall also bear the name and location of the resident payer, on whose behalf the EBRD is performing the money transfer, and the names,

numbers and dates of the documents submitted to support the transfer of money to the receiving party.

153. When effecting a money transfer from the EBRD's account to the domestic currency account of a resident/nonresident, the resident bank maintaining the EBRD's domestic currency account shall monitor eligibility of the transaction (check whether the transaction is on the list provided in Section IX hereof) and correctness of the payment instruction.

154. The bank maintaining an account for a resident who receives a hryvnia amount from EBRD shall check completeness and correctness of the payment instruction and, after crediting the resident's clearing account or the bank's correspondent account, require from the resident/nonresident payee the documents justifying the receipt of the amount.

The bank shall request a nonresident counterparty to clarify the details in the payment instruction, if the nonresident bank's payment instruction contains inaccurate (or incomplete) details that are to be specified in the payment instruction pursuant to Section XI paragraph 152 hereof.

(paragraph 154 indent two in the wording of
NBU Board Resolution No. 35 dated 6 February 2019)

155. Banks that effect domestic currency payments on the current accounts for EBRD counterparties shall ensure compliance of such transactions with the Ukrainian laws, as specified in Section XI paragraphs 142-145 hereof.

Director
Open Market Operations Department

Serhii Ponomarenko

APPROVED
Deputy Governor
National Bank of Ukraine
_____ **Oleg CHURIY**

(signature)

Dated: _____ **2018**

(date)