

Salans Kyiv, Ukraine - Legal Alert

Banking and Financial Sector

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Decree of the National Bank of Ukraine dated October 16 2008 No. 328 «On amendments to the Decree of the Board of Directors of the NBU dated 11.10.2008 No. 319»

The National Bank of Ukraine (the 'NBU') has amended the decree of its board of directors dated 11.10.2008 (No. 319) by Decree No. 328, dated October 16, 2008. Under this amendment, the requirement to limit the credit activities of banks to the extent reached by each of them as of 13.10.2008 was cancelled. Pursuant to this amendment, banks may accommodate with foreign currency loans to parties having no currency earnings, to the amount of their indebtedness with respect to such loans as of 13.10.2008. Banks may issue any other loans (including in hryvnia) as prescribed by law without restrictions, provided the adequate resources are available. This amendment also cancels the requirement to transfer money on a recipient's request the next business

day following the day of receipt of the relevant payment order.

The NBU has provided that, when undertaking activities involving the purchase of one type of currency for another type of currency, the requirement that both currencies be foreign currencies from the same category of the "Foreign Currency and Precious Metals" classification rules ratified by the NBU, does not apply to activities undertaken to ensure compliance with an import agreement.

The NBU has also made a provision that, as of now, purchase or exchange of foreign currency for the purpose of advance payments (save for payments for critical imports) shall not be classified as a violation of the rules regarding currency regulations and currency control.

In accordance with the provisions of the amendment, it came into force on October 16, 2008.



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