

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

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### Contacts at EY

**Albert Sych**  
Partner

+380 (44) 499 2011  
[Albert.Sych@ua.ey.com](mailto:Albert.Sych@ua.ey.com)

**Bogdan Malnev**  
Senior Associate

+380 (44) 499 3356  
[Bogdan.Malnev@ua.ey.com](mailto:Bogdan.Malnev@ua.ey.com)

**Andrii Pryimak**  
Senior Associate

+380 (44) 499 3380  
[Andrii.Pryimak@ua.ey.com](mailto:Andrii.Pryimak@ua.ey.com)

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

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

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

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

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

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

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

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**Contacts**

Kyiv  
+380 (44) 490 3000

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