

Flash Report

Ukraine • Issue#55/2015 • 23 December 2015

Increased scrutiny on payments in hard currency



Contacts:

Camiel van der Meij

Partner & TLS Leader

camiel.van.der.meij@ua.pwc.com

Andrey Pronchenko

Director of Tax and Legal Services

andrey.pronchenko@ua.pwc.com

Alexey Katasonov

Senior Attorney

alexey.katasonov@ua.pwc.com

PwC Ukraine

75 Zhylyanska Street, Kyiv, 01032

Tel: +380 44 354 0404

Fax: +380 44 354 07 90

www.pwc.com/ua

This flash report is produced by PricewaterhouseCoopers' tax and legal services department. The material contained in this alert is provided for general information purposes only and does not contain a comprehensive analysis of each item described. Before taking (or not taking) any action, readers should seek professional advice specific to their situation. No liability is accepted for acts or omissions taken in reliance upon the contents of this alert.

© 2015 Attorneys Association «PricewaterhouseCoopers Legal». All rights reserved. PwC refers to the Ukrainian member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

NBU to pressure banks regarding payments to non-residents

On 18 December 2015 the National Bank of Ukraine (the “NBU”) issued a letter* describing indicators of “suspicious” transactions involving transfer of funds abroad.

Even though the letter is not legally binding, commercial banks are likely to follow it.

In particular, the following transactions may be viewed as “suspicious”:

- The amount of financial transaction significantly exceeds the average amount of the client’s regular transactions;
- Transfer of funds by an individual in the amount exceeding USD 150,000;
- Transfer of funds for the benefit of a third party; assignment of debt/receivables under a foreign trade agreement;
- Transfer of funds to offshore countries (according to the list approved by the Cabinet of Ministers of Ukraine) or Baltic states;
- Transfer of funds under customs declarations, that had been registered more than 2 years before the payment.

If a transaction is deemed “suspicious”, the servicing bank may request from a client additional paperwork (financial statements, tax returns, information on beneficiary owners of the counterparty, etc.).

We will continue to monitor the situation and keep you updated on the issue.

* NBU Letter No. 25-02002/101317 dated 18 December 2015