

Flash Report

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Foreign currency proceeds



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Expansion on rule for mandatory sale of foreign currency proceeds

In a clear response to negative trends in the currency reserves of the country, the National Bank of Ukraine has expanded the rules regarding the 50% compulsory conversion of hard currency proceeds.

The new rules now require the mandatory sale of 50% of ALL foreign currency proceeds received from abroad by Ukrainian legal entities and private entrepreneurs. This includes funds received as investments in Ukraine, an increase in the charter capital of a Ukrainian legal entity by foreign shareholders, receipt of loan proceeds, as well as trade operations.

This resolution was published, and comes into effect on 12 October 2013*.

Previously, the mandatory sale of foreign currency applied only to cross-border trade agreements.

We will continue to monitor this issue and update you as soon as more information becomes available.

** Resolution of the National Bank of Ukraine No. 381 of 25 September 2013.*