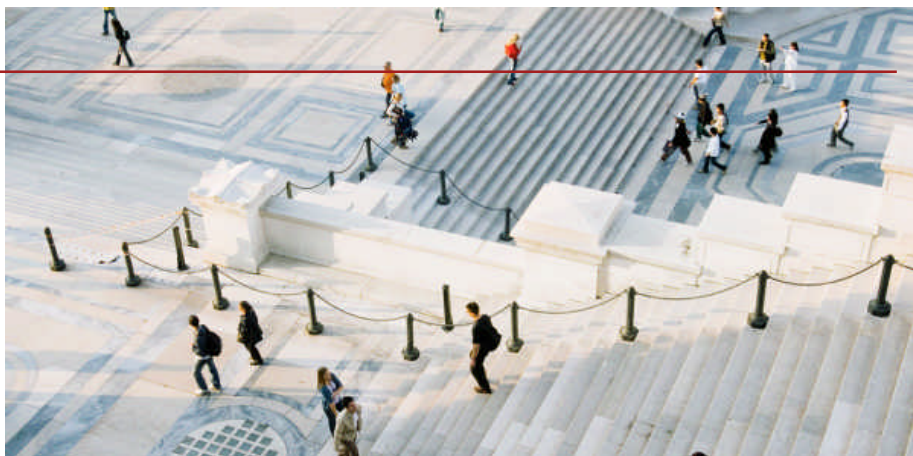


# Flash Report

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## Update on currency control restrictions



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### ***Payments for services abroad are restricted?***

Following adoption of the Regulation No. 591\* (refer to our Flash Report issue No. 52 of 23 September 2014), the National Bank of Ukraine (the “NBU”) issued the clarification regarding the ban for settlements under import transactions without entry of goods into Ukraine\*\*. This clarification will cause concern for many clients.

Under this clarification, mentioned ban does not apply to the following operations:

- payments for tourism, transport and communication services by residents holding respective licences (permits);
- payments for transport services by residents – expeditors;
- payments under banks’ own obligations before banks-correspondents, and international communication systems, including information agencies REUTERS, SWIFT, BLOOMBERG;
- payments under obligations of banks - members of international payment systems, related to organization and maintenance of settlements via such payment systems.

Based on this clarification, many Ukrainian banks (but not all) **refuse to transfer payments to nonresidents for any other services and IP rights.**

In our view such approach does not fully comply with Ukrainian law. We expect further NBU’s clarifications on this issue in the nearest future.

We will keep you updated on further developments.

\* *Resolution of the NBU No. 591 dated 22 September 2014*

\*\* *The Letter of the NBU No. 29-209/53878 of 23 September 2014*