Operation of the Banking System

On February 24, 2022, the Board of the National Bank of Ukraine (NBU) adopted its RESOLUTION No. 18 On Operation of Banking System under Martial Law which was amended the same day by the Resolution No. 21 (the “Resolution”). Under the Resolution, Ukrainian banks shall continue to operate subject to the restrictions stipulated by the Resolution which include, inter alia, the following:

1. Cash withdrawals from client accounts are limited to UAH 100,000 per day (excluding salaries and social benefits), except for businesses and institutions that ensure the implementation of the government’s mobilization plans (objectives) and entities that have a special permit from the NBU.

2. All cashless payments can be made without limitation subject to the below restrictions.

3. The release of cash from client accounts in foreign currency is prohibited, except for businesses and institutions that ensure the implementation of the government’s mobilization plans (objectives) and entities that have the NBU’s special permit.

4. Payments to and by the Ukrainian government shall be made without restrictions, in accordance with legislation governing this special period.

5. ATMs shall be supplied with cash without any restrictions.

6. Banks shall ensure the uninterrupted operation of their branches unless doing so puts at risk the lives and health of the public.

7. Banks will provide uninterrupted access to safe deposit boxes.

8. The NBU shall provide unsecured refinancing to banks to maintain liquidity without restrictions on its amount for up to one year with the possibility of extension for one additional year.

9. Ukrainian banks are prohibited from FX trading, except for the following operations:
   - Selling of FX in cash/cashless form by customers to banks and in cash to non-banking financial institutions and post offices;
   - FX currency swap transactions of Ukrainian banks with other Ukrainian banks, foreign financial institutions, the NBU, IFI’s;
   - Purchase of foreign currency for carrying out the transactions listed in item 11 below.
10. The official exchange rates for foreign currencies and special drawing rights are fixed as at February 24, 2022.

11. The NBU introduced a moratorium on cross-border foreign currency payments, except for:
   - The banks’ own operations, including settlements with international payment systems;
   - Purchase of goods of critical import as listed in the governmental regulation (including, among others, medical goods, petroleum, certain food products);
   - Payments by or to IFIs;
   - Payments ensuring mobilization plans (tasks);
   - Medical and transportation costs and funeral and transportation expenses;
   - Payments under special permits by the NBU;
   - Payments to diplomatic representations, consulates of Ukraine abroad.

12. Banks shall stop debit transactions on the accounts of the residents of the state that effected the armed aggression against Ukraine.

13. Issuance of e-money, replenishing e-wallets with e-money, and e-money distribution is suspended.

14. Any currency transactions in RUB and BYN and/or with persons residing/registered in Russia or Belarus are prohibited.

15. The NBU continues to sell USD to Ukrainian banks through Refinitive and Bloomberg trading systems on terms of prepayment by Ukrainian banks.

16. Ukrainian banks are allowed to sell FX to their clients at the expense of their own currency position for the fulfilment of obligations by such clients under their loan agreements with banks.

We note that in practice some of the permitted transactions still could be unavailable for technical reasons.

**Operation of Ukrainian courts**

According to public information, on February 24, 2022, certain Ukrainian courts suspended their work and rescheduled hearings of the court cases. The Supreme Court of Ukraine continues to operate, however, its court hearings have been rescheduled.

Please see information on courts operating in Kyiv (in Ukrainian):

Робота судів міста Києва - Юридична Газета (yur-gazeta.com)

**Capital markets measures by the National Securities and Stock Markets Commission (NSSMC)**

According to public information, circulation of securities in Ukraine and activities of depository accounting are temporary suspended, except for:

- The operations necessary for carrying out the monetary and credit policy of the NBU;
- The operations of the Ministry of Finance with respect to servicing the state debt.

The NSSMC also suspended transactions with assets of the institutions of collective investments and non-state
pension funds as well as assets of the funds for financing construction and funds for real estate operations.

The official website of the NSSMC is currently unavailable to provide more detailed information. For a brief summary see the link below (in Ukrainian):

НКЦПФР прийняла низку рішень у зв’язку із введенням воєнного стану - Smida

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