

National Bank allows dividend repatriation for 2016

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Analyst: "The enhanced possibility to withdraw 2016 dividends is another positive signal from the NBU confirming the regulator's confidence in the hryvnia's prospects."

KYIV, April 18, 2017 (UBO) - The Council of the National Bank of Ukraine (NBU) introduced on April 13 a set of ForEx liberalization measures, Concorde Capital informed clients today in an online advisory. In particular, the NBU allowed the repatriation of dividends earned in 2016. Partial repatriation of dividends for 2014-2015 was permitted in June 2016. As of April 14, an investor can withdraw USD 5 mln per month of dividends earned through 2014-2016. The NBU said it does not expect any negative impact from this step on stability of Ukrainian currency. In particular, the regulator mentioned that starting June 2016, investors withdrew as much as USD 1.0 bln, but the process was spread out and did not have a significant impact on the exchange rate. On top of dividends repatriation, the NBU allowed banks early debt repayments to non-residents with a credit rating above ?3/?-. Also the regulator lifted up to a USD 5 mln (from USD 1 mln) prepayment limit on import contracts. Concorde analyst Alexander Paraschiy added: "The enhanced possibility to withdraw 2016 dividends is another positive signal from the NBU confirming the regulator's confidence in the hryvnia's prospects. Initially, the NBU envisaged multiple limitations for dividend withdrawal which was among the key concerns of foreign investors. We believe lifting restrictions in this area makes Ukraine more attractive to them.

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