

3.1. IMPLEMENTED CRISIS MEASURES

Since the beginning of the full-scale war, the GoU and the NBU have proactively implemented a series of anti-crisis measures aimed at stabilising and supporting the country's economy.

At the beginning of the full-scale war, the NBU fixed the hryvnia exchange rate and introduced several significant currency restrictions. These decisions helped to prevent panic and ensure the stable operation of the financial

system, as well as to help businesses and households adapt to the conditions of a full-scale war. Many of the restrictions introduced are being progressively lifted/amended while others are still in force.

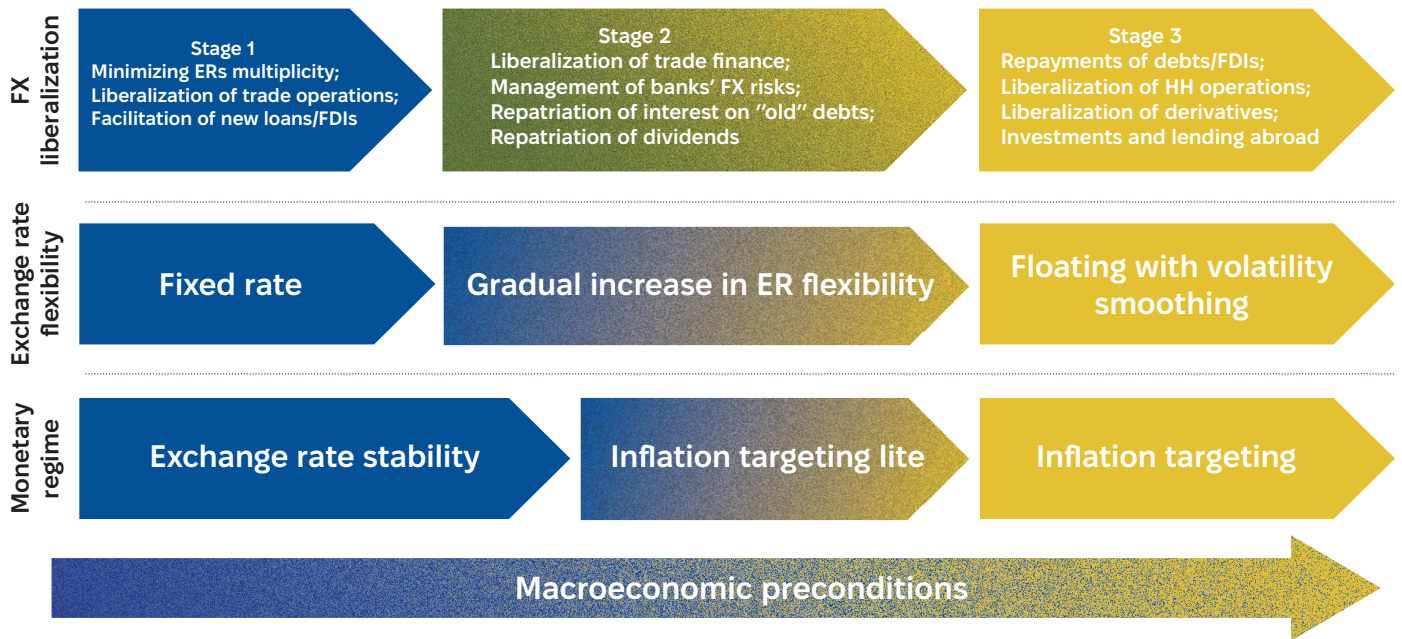
Table 1. Main restrictions for business in Ukraine

Type	Original restriction	Status	Changes
Monetary	Fixed official exchange rate for February 24, 2022	Mitigated	Managed exchange rate flexibility established
	Suspension of the foreign exchange market of Ukraine	Mitigated	Most FX market operations resumed
FX	Prohibition of foreign currency purchase	Mitigated	The ban on foreign currency purchases subject to a limit has been lifted
	Prohibition of transferring of FX funds to accounts of foreign units	Mitigated	Resident transfers to the accounts of their separate subdivisions in foreign countries are allowed
	Restriction of repayments of debts abroad	Mitigated	Service of "old" loans and repatriation of investments guaranteed by foreign ECAs and development banks
	Restriction of payments for imports, only critical imports are allowed	Mitigated	Restrictions include only imports of certain services
Financial	Settlement deadlines for export and import transactions are 90 calendar days (instead of 365 calendar days)	Mitigated	Most FX market operations resumed
	Limitation of cash withdrawals by clients to UAH 100 thousand per day and the foreign currency equivalent (excluding salary and social payments)	Will be liberalised	-
	Prohibition to carry out any currency transactions involving a legal entity or individual located in the Russian Federation or the Republic of Belarus	Unchanged	-

These actions were necessary to ensure the reliable and stable functioning of the country's financial system. The NBU is gradually implementing the Strategy for easing FX restrictions, moving to greater exchange rate flexibility, and returning to inflation targeting, provided that the appropriate preconditions are in place (Fig. YY).

In addition, the NBU is considering granting permission to transfer dividends received by foreigners in Ukraine abroad. The pace of changes directly depends on inflation and inflation expectations, accumulated international reserves, and interest rates.

Figure 1: The Strategy for easing restrictions by areas



These measures to ease the current FX restrictions include the implementation of Ukraine's benchmarks under the IMF EFF program in two phases. The immediate priorities are to minimise the multiplicity of exchange rates, increase opportunities for business

trade, and facilitate new investments. Significant achievements have already been made in the latter two areas, including the ability of businesses to import any commodity from abroad and partially repay «new» debts to foreign creditors (Table 4).

Table 2. Measures and progress in easing FX restrictions

STAGE 1	STAGE 2
Minimising multiplicity of ERs; Liberalising trading operations; Stimulating new loans/FDIs	Trade financing; banks' FX risks; Repatriation of interest on "old" debts and investments
Sale of cash FX by financial institutions	Deadlines for mandatory settlement in FX
Sale of non-cash FX by banks to individuals	Transfers on "old" customs declarations
FX transfers for imports of works and services	Reimbursement of advance payments from before the invasion
Operations with corporate cards	Purchase by banks into FX position for the formed reserves
Service of "new" external corporate debt	Change of currency of loan agreements
Repatriation of "new" dividends	Repatriation of dividends
Service of "old" loans and repatriation of investments guaranteed by foreign ECAs and development banks	Repatriation of interest on "old" external debt
Payments for "new" leasing, factoring and leases	Payments for "old" leasing, factoring and leases

started
completed