

**WITH A LAW DECREE OF P AND  
On the National Bank of Ukraine**

*(Bulletin of the Verkhovna Rada of Ukraine (BVR), 1999, N 29, st.238)*

*{Amended by Laws*

*N 1458-III ( [1458-14](#) ) of 17.02.2000, BD, 2000, N 14-15-16, Article 121*

*N 1658-III ( [1658-14](#) ) of 20.04.2000, BD, 2000, N 29, st.230*

*N 1919-III ( [1919-14](#) ) of 13.07.2000, VRR, 2000, N 42, st.351*

*N 2121-III ( [2121-14](#) ) of 07.12.2000, BD, 2001, N 5-6, Article 30*

*N 2740-III ( [2740-14](#) ) of 20.09.2001, BD, 2002, N 5, Article 30*

*N 2922-III ( [2922-14](#) ) of 10.01.2002, BD, 2002, N 17, st.117*

*N 1416-IV ( [1416-15](#) ) of 03.02.2004, BD, 2004, N 19, st.256*

*N 3163-IV ( [3163-15](#) ) of 01.12.2005, BD, 2006, N 12, st.100*

*N 3235-IV ( [3235-15](#) ) of 20.12.2005, BD, 2006, N 9, N 10-11,  
st.96}*

*{For more information see. century. 97 of the Law*

*N 489-V ( [489-16](#) ) of 19.12.2006, BD, 2007, N 7-8, Art. 66}*

*{For more information see. Decision of the Constitutional Court*

*N 6-rp/2007 ( [v0a6p710-07](#) ) on 09.07.2007}*

*{As amended by the Law*

*N 639-VI ( [639-17](#) ) of 31.10.2008, BD, 2009, N 14, st.181 -  
changes apply not later than January 1, 2011}*

*{For more information see. Law*

*N 835-VI ( [835-17](#) ) of 26.12.2008, BD, 2009, N 20, N 21-22,  
st.269}*

*{Amended by Laws*

*N 800-VI ( [800-17](#) ) of 25.12.2008, BD, 2009, N 19, st.257*

*N 1131-VI ( [1131-17](#) ) of 17.03.2009, BD, 2009, N 31, st.454*

*N 1533-VI ( [1533-17](#) ) of 23.06.2009, BD, 2009, N 52, st.763*

*N 1608-VI ( [1608-17](#) ) of 21.08.2009, BD, 2010, N 4, Article 15}*

*{As for the constitutional recognition of certain provisions, see.*

*Decision of the Constitutional Court*

*N 13-rp/2010 ( [v013p710-10](#) ) on 11.05.2010}*

*{Amended by Laws*

*N 2388-VI ( [2388-17](#) ) of 01.07.2010, BD, 2010, N 37, st.496*

*N 2457-VI ( [2457-17](#) ) of 08.07.2010, BD, 2010, N 48, st.564*

*N 2478-VI ( [2478-17](#) ) of 09.07.2010, BD, 2010, N 49, st.570*

*N 2856-VI ( [2856-17](#) ) of 23.12.2010, BD, 2011, N 29, st.272*

*N 3024-VI ( [3024-17](#) ) of 15.02.2011, BD, 2011, N 36, st.362*

*N 3394-VI ( [3394-17](#) ) of 19.05.2011, BD, 2011, N 47, st.533*

*N 3828-VI ( [3828-17](#) ) of 06.10.2011, BD, 2012, N 21, st.204*

*N 4395-VI ( [4395-17](#) ) of 09.02.2012, BD, 2012, N 40, st.479*

*N 4452-VI ( [4452-17](#) ) of 23.02.2012, BD, 2012, N 50, st.564*

*N 5103-VI ( [5103-17](#) ) of 05.07.2012, BD, 2013, N 30, st.346*

*N 5285-VI ( [5285-17](#) ) of 18.09.2012, BD, 2013, N 37, st.489}*

*{Articles 1, 7, 9, 15, 25, 26, 41, 42, 55, 57, 58, 60, 61, 62, 63, 65, 67 the words "financial institution" "Financial and credit institutions", "other financial and credit institutions, "" and other financial and credit institutions' "And other financial institutions" in the relevant cases excluded by Law N 1919-III ( [1919-14](#) ) of 13.07.2000}*

## Section I

### TERMS

#### **Article 1.** Terms and concepts

The terms and definitions used in the following meaning:

*{Second paragraph of Article 1 is excluded by Law N 2922-III ( [2922-14](#) ) of 10.01.2002}*

precious metals - gold, silver, platinum, metals

platinum, brought (refined) samples according to the highest with international standards, bars and powders with certificate money and coins made of precious metals;

banking regulation - one of the functions of the National Bank of Ukraine, which is to create a system of rules governing banking activities, define the general principles of banking activities, the exercise of banking supervision, responsibility for violations of banking laws;

banking supervision - control and active

organized actions of the National Bank of Ukraine aimed at ensure compliance by banks and other entities in respect of which National Bank of Ukraine carries out supervisory activities legislation of Ukraine and established standards, in order to ensuring the stability of the banking system and protecting the interests of depositors and creditors of the bank; {Paragraph five of Article 1 amended in accordance with the Law N 2922-III ( [2922-14](#) ) of 10.01.2002}

currency values - material objects defined

Ukraine law on currency regulation as a means of monetary and financial relations;

open market - a market in which the operations of purchase and sale of securities between persons who are not the primary lenders and borrowers, and when the funds from the sale securities in such market receives the benefit of the holder securities rather than their issuer. Use central banks for sale are usually short-term government securities to regulate the money supply.

As a result of the purchase increases investment in the economy, the sale - is reduced;

currency position - the ratio of bank assets and liabilities in each currency and each precious metals. In their equity position is considered closed when inequality - open.

The open position is short, if the amount of foreign liabilities currencies and precious metals exceeds requirements, and long, If the claims in foreign currency and precious metals exceeds the amount of liabilities; {Eighth paragraph of Article 1 as amended Law N 1533-VI ( [1533-17](#) ) of 23.06.2009}

monetary policy - a set of measures in monetary and credit to ensure stability of the Ukraine through the use of specified in this Law means and methods; {Definition of the term in Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

monetary liabilities - currency in circulation, financial requirements of the National Bank of Ukraine, except for obligations National Bank of Ukraine to the Cabinet of Ministers of Ukraine and international financial institutions; {Article 1 is amended term in accordance with the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

money substitutes - any documents in the form of cash characters that are different from the currency of Ukraine, issued in circulation is not the National Bank of Ukraine and made for the purpose of payments in economic exchange, in addition to foreign exchange values; {Paragraph of Article 1, as amended pursuant to Law N 1919-III ( [1919-14](#) ) of 13.07.2000}

devizna monetary policy - monetary policy adjustment rate by buying and selling foreign currency;

Discount monetary policy - reducing or increasing National Bank of Ukraine in interest rates on loans to regulation of supply and demand for loan capital;

Foreign exchange reserves - reserves Ukraine are reflected in The National Bank of Ukraine, which include assets recognized by the international community as international and designated for International Settlements;

*{Paragraph 1 of Article ruled by Law N 2922-III ( [2922-14](#) ) of 10.01.2002}*

lender of last resort - the National Bank of Ukraine, which the Bank may apply for refinancing in the case exhausting other possibilities of refinancing; {Definition of the term as amended by Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

treasury bonds - debt securities emitted by the state, through its competent authorities placed only on a voluntary basis between individuals and entities and certifies their owners funds to the budget and are entitled to receive financial income or other property rights under the terms of their release;

Metal accounts - accounts that are opened by authorized Ukraine banks to account for transactions made with precious metals;

international auditing standards - adopted by the International Federation accounting documents defining auditing standards; {Article 1

supplemented by the term according to the Law N 2478-VI ([2478-17](#)) from 09.07.2010}

International Financial Reporting Standards - adopted by the International Accounting Standards Documents

set standards of financial reporting and accounting

accounting; {Article 1 is amended term according to the Law N 2478-VI ([2478-17](#)) of 09.07.2010}

unrealized income / expense - income / expense from revaluation

financial assets and liabilities, monetary gold and

precious metals, as well as gains / losses arising from the purchase of foreign

currency, monetary gold and precious metals, if

operations are not carried out at the official exchange rate; {Article 1

supplemented by the term according to the Law N 2478-VI ([2478-17](#)) from 09.07.2010}

*{Definition of "basic principles of monetary*

*policy "excluded by Law N 2478-VI ([2478-17](#)) from*

*09.07.2010}*

discount rate of the National Bank of Ukraine - one of

monetary instruments by which the National Bank

Ukraine imposes on banks and other entities

the money market benchmark of the cost involved and

allocated funds; {Definition of the term of the Law

N 2478-VI ([2478-17](#)) of 09.07.2010}

official publication of the National Bank of Ukraine - Special

publication by the National Bank of Ukraine as

official and registered in the prescribed manner in which

published regulations of the National Bank of Ukraine

and information-analytical, statistical and other materials

reviews the state of the banking system of Ukraine, foreign exchange and financial

markets, etc.;

official exchange rate - exchange rate officially established

National Bank of Ukraine as the competent authority of the State;

protection of property and facilities - organization and practical

by the National Bank protection measures in relation to defined and

of its own buildings, areas, vehicles,

currency assets, securities or other movable and immovable

property aimed at preventing or stopping illegal actions

with them to ensure their integrity and integrity

cessation of unauthorized access to a third party, and

to personal security, life and health

National Bank; {Article 1 is amended in accordance with the term

Law N 5103-VI ([5103-17](#)) of 05.07.2012}

balance of payments - the ratio between the amount of money

proceeds received by the country from abroad, and the amount made it

payments abroad for a certain period. To BOP

includes payments for foreign trade, services, non-trading

operations, income from investments abroad, trade licenses from chartering and ship service, tourism, maintenance of diplomatic and trade missions abroad, remittances individuals paying other countries for loans and so on. The balance of payments includes capital flows: investment and loans;

realized income / expense - income / expense from revaluation during disposal of revalued financial assets and liabilities monetary gold and precious metals; {Article 1 is amended term in accordance with the Law N 2478-VI ([2478-17](#)) of 09.07.2010}

Reserve position in the International Monetary Fund (hereinafter - the IMF)

- The requirements of the Member State to the IMF, defined as the difference between

quota and holdings of IMF (Member State) currency net cash holdings IMF received by the member in the form of loans IMF and balances IMF N 2, not exceeding one-tenth percent of the member's quota;

refinancing rate of the National Bank of Ukraine - expressed in percent of the loans provided by commercial banks, which established by the National Bank of Ukraine to influence cash flow and financing; {Definitions of terms with the changes amended by the Law N 2478-VI ([2478-17](#)) of 09.07.2010}

Special Drawing Rights (SDRs) - an international reserve asset created by the IMF to supplement existing international reserve assets, which is a "basket" of five currencies, the composition which is reviewed every five years. Cost of special rights Drawing determined daily;

*{Paragraph 1 of Article ruled by Law N 2922-III ([2922-14](#)) of 10.01.2002}*

price stability - preserving the purchasing power currency by maintaining the medium term (3 to 5 years) low, stable rate

Inflation as measured by the CPI.

*{Definition of the term of the Law N 2478-VI ([2478-17](#)) from 09.07.2010}*

*{Paragraph 1 of Article ruled by Law N 2922-III ([2922-14](#)) of 10.01.2002}*

The term "goodwill" is understood in the sense defined by Law of Ukraine "On Banks and Banking Activity" ([2121-14](#)).

{Article 1 is amended according to the Law N 2478-VI ([2478-17](#)) of 09.07.2010}

**Article 2.** The legal basis of the National Bank Ukraine

National Bank of Ukraine (hereinafter - the National Bank) is central bank of Ukraine, a special central body governance, legal status, tasks, functions, powers and principles of the organization are determined Constitution of Ukraine, this Law and other laws of Ukraine.

Location of the National Bank of Ukraine (hereinafter - Council of the National Bank), the National Bank of Ukraine (Hereinafter - the National Bank) and central staff National Bank - the city of Kyiv.

*{Part two of Article 2 as amended pursuant to Law N 2478-VI ([2478-17](#)) of 09.07.2010}*

### **Article 3. Authorized Capital**

National Bank has a share capital, which is the government property.

The authorized capital of 10 million.

The authorized capital may be increased by decision of the National Bank. (Article 3, as amended according to the Law N 1919-III ([1919-14](#)) of 13.07.2000)

The sources of the share capital of the National Bank income is his estimate, if necessary - State Budget Ukraine.

### **Article 4. Economic independence**

National Bank is economically independent body that makes expenditures from their own income within the approved estimates, as defined in this law - and by State Budget of Ukraine.

National Bank is a legal entity with separate property, that is the object of public property and are wholly economic management.

National Bank is not liable for the obligations of government and the public authorities responsible for liabilities of the bank, unless they voluntarily assume such obligations.

National Bank is not liable for the obligations of other banks and other banks are not liable for the obligations National Bank, unless they voluntarily take assume such obligations.

National Bank can open their institutions, branches and representations in Ukraine, and offices abroad.

National Bank, its agencies, affiliates and representative offices seal with the State Emblem of Ukraine and its names.

### **Article 5. Revenues and Expenditures**

National Bank is an annual estimate of revenue and expenditure, who must enforce it by the National Bank functions established by the Constitution of Ukraine ([254k/96-VR](#)) and this Law.

National Bank includes the estimates of income and expenditure projected revenues and projected expenditures, including depreciation, provision for impairment and investments allocated for the support of National Bank.

National Bank recognizes income and expenses, determines income (loss) and prepare financial statements in accordance with International Financial Reporting Standards.

National Bank establishes general provisions that used to cover its losses, revaluation reserve, which used to cover the outstanding expenses and other reserves.

In case of lack of general reserves exceeding expensed over its revenues offset by the State Budget of Ukraine following the reporting year.

*{Article 5 as amended by Laws N 639-VI ( [639-17](#) ) of 31.10.2008, N 1608-VI ( [1608-17](#) ) of 21.08.2009, N 1919-III ( [1919-14](#) ) of 13.07.2000; as amended by Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 5-1.** Profits available for distribution

Profit is not the objective of the National Bank.

National Bank determines income available for distribution by decrease in profit in the amount of unrealized gains. National Bank sends unrealized gains to the revaluation reserve.

Unrealised gains that are realized in the following periods are included in the profit available for distribution in their respective reporting periods.

National Bank compensates the excess of the unrealized expenditure over the amount of the revaluation reserve funds current income , and in case of failure - of general reserves.

The NBU distribution of profits available for distribution after confirmation of the external audit and approval by the Council National Bank of the annual financial report in such relationship:

50 percent of the profit available for distribution is directed to the general

reserves and other reserves of the National Bank. Contributions to general reserves held until the amount of total reserves are not equal to 10 per cent of the monetary liabilities

National Bank;

50 percent of profits to the division transferred to State Budget of Ukraine following the reporting year.

After the formation of general reserves to the extent provided part five of this article, the profit available for distribution shall be transferred to the State Budget of Ukraine in full.

*{Act amended Article 5-1 according to the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 6.** Primary function of

According to the Constitution of Ukraine ( [254k/96-VR](#) ) primary function of the National Bank is to ensure stability of units Ukraine.

In carrying out its core functions, the National Bank has go to the priority of achieving and maintaining price stability.

*{Part two of Article 6 of the Law N 2478-VI ( [2478-17](#) ) from 09.07.2010}*

National Bank within its power contributes to the stability of the banking system, provided that this does not prejudice the achievement of the objectives referred to in the second paragraph of this article.

*{Part of Article 6 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

The National Bank also promotes observance steady pace of economic growth and support the economic policy of the Cabinet of Ministers of Ukraine, provided that this does not prevent the achievement of the objectives set out in paragraphs two and three of this article.

*{Part of Article 6 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

#### **Article 7. Other Functions**

National Bank has the following functions:

1) as developed by the Council of the National Bank of Ukraine Major Monetary policy determines and conducts monetary policy;

2) monopoly issue the national currency of Ukraine and organizes cash turnover;

*{Paragraph 2 of Article 7, as amended by the Law N 5285-VI ( [5285-17](#) ) of 18.09.2012}*

3) a creditor of last resort for banks and arranges refinancing system;

4) sets the rules of conducting banking transactions, accounting and reporting, data security, funds and property;

5) organize and methodological support to the system of monetary and banking statistics and balance of payments statistics;

6) defines a system, procedure and forms of payment, including between banks;

7) guides the development of modern electronic banking technologies, creates, coordinates and oversees the creation of electronic payment instruments, payment systems, automation of banking operations and banking information protection facilities;

8) provides banking regulation and supervision on an individual and consolidated basis; *{Paragraph 8 of Article 7 of the Law N 3394-VI ( [3394-17](#) ) of 19.05.2011}*

9) carries the approval of the statutes of banks and amendments thereto, licensing and banking operations in stipulated by law, maintain the State Register of Banks, Directory of audit firms eligible to conduct audit inspections of banks; *{Paragraph 9 of Article 7, as amended by the Law N 2922-III ( [2922-14](#) ) of 10.01.2002; in the wording of the Law N 3024-VI ( [3024-17](#) ) of 15.02.2011}*



10) maintains the official registry identification number of issuers of payment cards of domestic payment systems; (Article 7, paragraph 10 amended by adding pursuant to Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

*{Item 11 of Article 7 deleted according to Law N 4452-VI ( [4452-17](#) ) of 23.02.2012}*

12) is the balance of payments of its analysis and forecasting;

13) represents Ukraine at the central banks of other countries, international banks and other credit institutions where cooperation takes place between the central banks;

14) has defined according to a special law office of currency regulation defines the procedure for transactions in foreign currency, organizes and carries out foreign exchange controls over banks and other financial institutions that have received license from the National Bank for currency transactions;

*(Item 14 of Article 7 of the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)*

15) to ensure the accumulation and storage of gold reserves and transactions with them and precious metals;

16) examines the state of monetary, financial, pricing and currency relations;

17) organize the collection and transportation of banknotes and coins and other valuables, issues licenses for collection and transportation of banknotes and coins and other valuables;

18) implement the national policy on protection of state secrets in the system of the National Bank;

19) participates in training for the banking system of Ukraine;

20) determines the characteristics of the banking system of Ukraine in case of martial law or a specific period carries mobilization preparation of the National Bank;

*(Article 20, paragraph 7 is supplemented by the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)*

21) introduced in due course proposals for legislative regulation of aiming to perform the functions of the National Bank of Ukraine; (Article 7 amended by item 21, pursuant to the Law N 3163-IV ( [3163-15](#) ) of 01.12.2005)

22) provides methodological support for the storage, protection, use and disclosure of information constituting bank secrecy; (Article 7 amended by item 22 in accordance with the Law N 3163-IV ( [3163-15](#) ) of 01.12.2005)

23) perform other functions in the financial and credit areas within its competence as defined by law.

*{Item 24 of Article 7 deleted according to Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

## **Section II**

### **ORDER OF FORMATION AND POWERS OF THE NATIONAL BANK**

*{Name of Section II of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 8.** Objectives of the National Bank

According to the Constitution of Ukraine ([254k/96-VR](#)) the main tasks of the National Bank is the development of the General Principles of monetary policy and supervising the conduct of monetary policy.

*{Article 8 of the Law N 1919-III ( [1919-14](#) ) of 13.07.2000, N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 9.** Powers of the National Bank

Council of the National Bank:

1) develop basic principles of monetary policy, publish it in the official publications and presents annually by September 15 to

the Verkhovna Rada of Ukraine for information;

2) supervise the conduct of monetary policy;

3) analyzes the impact of monetary policy in Ukraine on the state of social and economic development of Ukraine and develops proposals for appropriate amendments thereto;

4) approve annually by September 15 of this year an estimate of revenues and expenditures of the National Bank for the next year and submit

to the President of Ukraine, the Verkhovna Rada of Ukraine and the Cabinet of Ministers of

Ukraine information about the calculation of the projected profits available for distribution next year, which will be subject to transfer to the State Budget of Ukraine;

*{Paragraph 4 of Article 9 of the Law N 2457-VI ( [2457-17](#) ) of 08.07.2010, N 3828-VI ( [3828-17](#) ) of 06.10.2011}*

5) submit to the Verkhovna Rada of Ukraine and the Cabinet of Ministers of Ukraine annually by April 1 of the data on the projected profit available for distribution this year, which will be subject to the State Budget of Ukraine for inclusion in the draft State Budget of Ukraine for the next year;

6) approve the Regulations of the National Bank of Ukraine;

*{Paragraph 6 of Article 9 of the Law N 2856-VI ( [2856-17](#) ) of 23.12.2010}*

7) decide on increasing the share capital of the National Bank;

*{Paragraph 7 of Article 9 as amended in accordance with the Law N 2457-VI ( [2457-17](#) ) of 08.07.2010; as amended by Law N 2856-VI ( [2856-17](#) ) of 23.12.2010}*

8) approve the annual audit plan of the structural units of the National Bank;

9) determine by November 1 of the reporting year audit firm that has experience in auditing according to international auditing standards for audits of financial statements of the National Bank;

10) Consider and approve the audit report to the April 30 following the reporting year, the annual financial statements of the National Bank, a report on the performance estimates of revenues and expenditures of the National Bank and the distribution of profits available for distribution for

the financial year, publish approved by the National Bank of the annual

financial statements of the Bank's official site of the National Bank;  
{Item 10 of Article 9, as amended pursuant to the Law N 2856-VI ( [2856-17](#) ) of 23.12.2010, N 3828-VI ( [3828-17](#) ) of 06.10.2011}

11) approve the decision of the National Bank of the National Bank of participation in international financial institutions;  
12) make recommendations to the Board of the National Bank in the framework developed basic principles of monetary policy with respect to:  
methods and forms of forecasting macroeconomic indicators of economic and social development of Ukraine and monetary policy;  
individual measures of monetary and regulatory nature and their impact on economic and social development of Ukraine;  
exchange rate policy and currency regulation;  
the banking system and separate regulations of the Banking activities;  
improving the payment system;  
other matters within the competence of the law of the National Bank;  
13) make recommendations to the Cabinet of Ministers of Ukraine concerning the impact of the government debt and fiscal policy in the monetary sphere in Ukraine;  
14) approve the submission of the National Bank of method for determining the salary of the National Bank and his deputies.

{Part one of Article 9 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

Council of the National Bank can not advise on feasibility appointment or dismissal of the Chairman of the National Bank, the Board of the National Bank (except where agreed in accordance herewith nominations for the post of Deputy Chairman of the National Bank), or give a personal assessment of some officials of the National Bank .

{Part two of Article 9, as amended pursuant to the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

Council of the National Bank provides an assessment of the Board of the National Bank on Implementation of the monetary policy and other issues, the decisions of which are binding on the Board of the National Bank.

In case of repeated non-performance or improper performance of the Board of the National Bank of decisions of the National Bank, which are mandatory under the Act, the Board of the National Bank may apply to the National Bank or the Verkhovna Rada of Ukraine and the President of Ukraine to set out its position.

{Article 9 of the Law N 1919-III ( [1919-14](#) ) of 13.07.2000}

**Article 10.** Composition and formation of the National Bank

The Council consists of members of the National Bank of National Bank, appointed by the President of Ukraine and the Verkhovna Rada of Ukraine. Governor of the National Bank, appointed by

the Supreme Council of Ukraine by the President of Ukraine, is a member of the National Bank for the post. Member of the National Bank of Ukraine shall be a citizen, residing in Ukraine, has completed higher education in the field of economics, finance or law or a scientific degree in economics, finance or law and thus has at least 10 years of experience in legislative bodies or managerial positions in other government agencies and public bodies who are performing and implementing public financial, economic or legal, policy, or management positions in international financial institutions, or in senior positions in the bank, or research work in the financial, economic or legal topics and has an impeccable reputation, in particular, has no criminal record, has been canceled or withdrawn in accordance with the law order.

A person may be a member of the National Bank, if it has the proper rights or holds or has held the position of head of the public authority or other public body (if not passed one year from the date of dismissal of such a position), or a leader of a political party or member of the governing of a political party or leader is part of the governing body of the legal entity, which aims to make a profit, institutions that provide financial services, is the direct or indirect owner of any number of shares.

To assign a member of the National Bank of candidate for this position provides information confirming its compliance candidacy requirements established in parts two and three of this article. The same person may be a member of the National Bank for more than two terms.

President of Ukraine appoints seven members of the Board of National Bank by issuing the decree.

Verkhovna Rada of Ukraine shall appoint seven members of the National Bank through the adoption of the resolution.

Nominations of persons for appointment to the Supreme Council of Ukraine National Bank Council members held discussions on a special open meetings of the Verkhovna Rada of Ukraine, which makes its recommendations to the Verkhovna Rada of Ukraine.

The members of the Board of the National Bank - seven years than the President of the National Bank, which is part of the National Bank for a term of exercise of powers by the office.

The authority of a Member of the National Bank shall be terminated in connection with completion of his term of office or in case of:

- a) submission of a written application for termination of office by his own will;
- b) the court declaring him incapacitated;
- c) mismatches activity of a member of the National Bank Act requirements or loss of impeccable business reputation;
- d) absence without good reason, at two meetings of the National Bank of succession;
- d) failure of the duties of the National Bank (in including health) over four consecutive months;

e) establish that the provision of false information to the appointment of a member of the National Bank;  
g) of circumstances precluding the possibility of a person to be a member of the National Bank (in accordance with part two and three of this article).

In case of death or advertisement in the prescribed manner the deceased person who is a member of the National Bank, the powers of the Member of the National Bank shall be considered terminated on the date of death, certified death certificate or the date of entry into force of a court decision declaring a person dead.

Ukraine president dismisses appointed him member of the National Bank through the issuance of the decree, which shall specify the grounds for dismissal.

Parliament of Ukraine dismisses the designated members of the Board of National Bank by the adoption of the resolution for submission of committees of the Verkhovna Rada of Ukraine, which shall state the grounds for dismissal.

Powers of the National Bank as a member of the National Bank of prematurely terminated due to his retirement or in the event of his dismissal from his position on other grounds stipulated by this Law.

Members of the National Bank shall serve on a voluntary basis. Members of the National Bank paid the expenses incurred in connection with the performance of their duties in accordance with the Rules of the National Bank of Ukraine.

Internal issues of the Council of the National Bank, order management, and other matters determined by the Rules of the National Bank of Ukraine for approval at its meeting.

Accommodation and organizational financial support of the National Bank carried out by the National Bank by its estimated costs.

*{Article 10 as amended by Law N 1919-III ( [1919-14](#) ) of 13.07.2000; as amended by Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 11.** Procedure of the Council of the National Bank  
The Council of the National Bank held at least once per quarter.

Extraordinary meeting of the National Bank convened by the Chairman of the National Bank on his own initiative or by the Board of the National Bank at the urging of at least one third of the total number of its members, and at the request of the Chairman of the National Bank of Ukraine. Members of the National Bank notified about the meeting no later than five calendar days prior to the date of the meeting. The procedure of early meetings of the National Bank determined its Regulations. (Part two of Article 11 as amended by Law N 1919-III

( [1919-14](#) ) of 13.07.2000)

The Council of the National Bank is authorized by the presence of at least ten members. (Art. 11 of the amended pursuant to the Law N 1919-III ( [1919-14](#) ) of 13.07.2000)

The Council of the National Bank is President of the National Bank, and in the absence - his deputy, in accordance with the Regulation. Decisions are taken by simple majority of the total number of the members of the National Bank. Each member of the Board of the National Bank shall have one vote. At the meeting of the National Bank may be invited leaders of the central government, and representatives of business entrepreneurship, academics and other experts. Members of the Board of the National Bank may participate in the work of the National Bank in an advisory capacity.

*(Part seven of Article 11 of the Law N 1919-III ([1919-14](#)) of 13.07.2000)*

**Article 12.** President of the National Bank and his deputy President of the National Bank shall be elected by the Board of the National Bank from among its members for a period of three years.

*{Part one of Article 12 of the Law N 1919-III ([1919-14](#)) of 13.07.2000; as amended by the Law N 2478-VI ([2478-17](#)) of 09.07.2010}*

Chairman of the National Bank shall be elected Chairman of the National Bank.

*{Article 12 is supplemented with a new part according to the Law N 2478-VI ([2478-17](#)) of 09.07.2010}*

President of the National Bank:

organizing a meeting of the National Bank and preside over them;

convene extraordinary meetings on his own initiative or at the urging of at least one third of the total members of the National Bank, and at the request of the Chairman of the National Bank;

exercise other powers and functions in accordance with the Rules of the National Bank of Ukraine;

*{Part of Article 12 of the Law N 1919-III ( [1919-14](#) ) of 13.07.2000}*

President of the National Bank shall have a deputy, who is elected by the NBU Council from among its members for a period of three years.

*{Part of Article 12 of the Law N 1919-III ( [1919-14](#) ) of 13.07.2000; as amended by the Law N 2478-VI ([2478-17](#)) of 09.07.2010}*

Deputy Chairman of the replacement of the National Bank in the event of his absence or inability them to exercise their powers and perform other powers and functions in accordance with the decisions of the National Bank.

Dismissal of the President of the National Bank or its deputy during his term of office shall be effected:

upon the expiration of his term of office;

at our option, subject to the submission of a written application; in the case of systematic misconduct as health for four months.

In the event of termination of office of the Chairman of the National Bank and deputy election for this position are carried out in the manner prescribed by this Law.

**Article 13.** Decision of the National Bank

*{Title of article 13, as amended by the Law  
N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

Materials meeting of the National Bank issued in the form of protocols and solutions and be signed by the chairman at its meeting.

Decision of the National Bank on the General Principles of monetary policy and on matters specified in paragraphs 5-7, 9-11, Article 9 of this Act is binding on the Board of the National Bank.

*{Part two of Article 13 of the Law N 1919-III ( [1919-14](#) )  
of 13.07.2000; as amended by the Law N 2478-VI  
( [2478-17](#) ) of 09.07.2010}*

Recommendations of the National Bank are considered by the Board of the National Bank within five working days. By results of this review, the Board of the National Bank must submit to the National Bank of reasoned response.

Council of the National Bank has no right to interfere in the operational activities of the National Bank.

*{Part five of Article 13 is excluded by Law  
N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

The decision of the National Bank shall be published, except in cases where such decisions constitute state, banking or professional secrecy by law.

Members of the Board of the National Bank shall be prohibited to disclose government, banking or professional secrecy, which has become known to them in connection with the exercise of their powers under the Regulation.

**Section III**

ORGANIZATIONAL STRUCTURE AND BASIS OF  
NATIONAL BANK

*Law added {section name according to the Law N 2478-VI  
( [2478-17](#) ) of 09.07.2010}*

**Article 14.** Functions of the National Bank

Board of the National Bank in accordance with basic principles of monetary policy through appropriate monetary instruments and other means of banking regulation ensures the implementation of monetary policy, organize other functions in accordance with Articles 6 and 7 of this Act and manages the activities of the National Bank.

**Article 15.** Powers of the Board of the National Bank

Board of the National Bank:

1) decide:

to provide proposals to the Council of the National Bank regarding the development of the General Principles of monetary policy; on economic means and methods for the implementation of monetary Basic principles of monetary policy in accordance with the decisions of the National Bank on these issues and the need for

stability and the purchasing power of the national currency;  
on banking regulation and supervision;  
on the organization of refinancing;  
on the definition and implementation of monetary and exchange rate policy, foreign exchange management and control foreign exchange reserves;  
on the functioning of payment systems and settlement;  
Ukraine to issue currency and withdrawal of banknotes and coins;  
to establish and change the accounting and other interest rates of the National Bank;  
diversification of assets of the bank and the liquidity  
limits on off-balance sheet liabilities of the National Bank;  
of provisioning and financial risks of the National Bank;  
the minimum size of the reserves of the National Bank;  
setting limits on open market operations, which are made by the bank;  
a list of securities and other assets eligible for collateral for loans to the National Bank;  
on the conditions of admission of foreign capital in the banking system of Ukraine;  
establishment of prudential regulations for banks;  
about the size and order of formation of the required reserves for banks;  
of enforcement for banks and other persons whose activities are checked by the National Bank pursuant to the Law of Ukraine "On Banks and Banking Activity" ( [2121-14](#) );  
on the establishment and liquidation of enterprises, institutions of the National Bank;  
on participation in international financial institutions;  
purchase and sale of property for the support of the National Bank;  
about change for the compliance with the law services (the transactions);  
the procedure of transfer of profit available for distribution to the State Budget of Ukraine; {Paragraph 1 of Article 15 amended according to the Law N 3828-VI ( [3828-17](#) ) of 06.10.2011}  
to refer to the category of troubled bank or insolvent; {Paragraph 1 of Article 15 amended according to the Law N 4452-VI ( [4452-17](#) ) of 23.02.2012}  
the financial capacity of the receiving bank to fulfill obligations to depositors and other creditors; {Paragraph 1 of Article 15 amended according to the Law N 4452-VI ( [4452-17](#) ) of 23.02.2012}  
2) submit for the approval of the National Bank of the annual report of the National Bank, the draft estimates of income and expenditure for the following year, and other documents and decisions in accordance with Article 9



of this Law; provides on request of the National Bank to inform the accounting, statistical and other necessities to perform its task information on the activities of the National Bank and the banking system of Ukraine;

3) defines the organizational framework and structure of the National Bank, approves regulations on structural units and institutions of the National Bank, the statutes of its businesses, the appointment department managers, businesses and institutions;

4) approve the staffing table of the National Bank and the forms of remuneration;

5) develop and submit for approval by the National Bank of method for determining wages Governor of the National Bank and his deputies;

6) Establish procedures for providing entities with the intention to carry out banking, banking licenses, as well as licenses to other legal entities in the cases provided by law; {Paragraph 6 of Article 15 of the Law N 3024-VI ( [3024-17](#) ) of 15.02.2011}

7) issues regulations of the National Bank;

8) approve the Regulations of the Board of the National Bank of Ukraine;

9) perform the functions referred to in Articles 3, 7, 23, 28 and 64 of this Law and other functions arising from the primary objective of the National Bank and are not referred to the competence of the National Bank and the National Bank.

*{Article 15, as amended by Laws N 1919-III*

*( [1919-14](#) ) of 13.07.2000, N 2922-III ( [2922-14](#) ) of 10.01.2002, as amended by Law N 2478-VI ( [2478-17](#) ) from 09.07.2010}*

**Article 16.** Composition and formation of the Board of the National Bank

NBU Board headed by Chairman of the National Bank.

NBU Board consists of eleven persons:

Chairman of the National Bank, the Vice-Chairman of the National Bank and heads of structural units of the National Bank, which ensure compliance with the National Bank's primary function.

The list of structural units that fulfill

the basic functions of the National Bank, whose leaders are ex officio members of the Board of the National Bank shall be determined

by the Chairman of the National Bank. The powers of such member of the Board of the National Bank shall be terminated in the event of his dismissal from the post

for which he is a member of the Board of the National Bank.

*{Article 16 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 17.** Modus Operandi of the National Bank

The organization and conduct of meetings of the Board of the National Bank is determined by the Regulation.

The decision of the National Bank taken by simple majority vote. Each member of the Board of the National Bank shall have one vote.

*{Article 17 the second paragraph is supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

Meeting of the Board of the National Bank is competent if attended by at least two thirds of its members.  
{Article 17 the third paragraph is supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

**Article 18.** Appointment and dismissal of the Chairman of the National Bank

National Bank Chairman is appointed by the Verkhovna Rada of Ukraine by the President of Ukraine for seven years. The same person may not be the Chairman of the National Bank for more than two consecutive terms. Chairman of the National Bank of Ukraine shall be a citizen, residing in Ukraine, has completed higher education in economics or finance or a degree in economics or finance and at the same time is not less than 10 years of experience in the body of the legislature or executive positions in other organs of state and public bodies who are performing and implementing public financial, economic or legal, policy, and management positions in international financial institutions, or in senior positions in the bank, or scientific work on finance, economic or legal issues and is well reputation, in particular, has no criminal record, has been canceled or withdrawn in accordance with the law.

A person can not be the Chairman of the National Bank if it has the proper rights or holds or has held the position of director of a public authority or other public body (if not passed one year from the date of release of this post), or is the leader of the political party or member of the governing bodies political party or a leader or part of the governing body of the legal entity (excluding National Bank), or a direct or indirect owner of a number of shares (shares) of legal entity. While in the office of the National Bank suspends membership in a political party. For the purpose of the National Bank candidate for this position provides information confirming its compliance candidacy requirements set parts three and four of this article.

If not approved by the Verkhovna Rada of Ukraine of candidates proposed by the President of Ukraine, the order of introduction of new candidates is governed by the Law of Ukraine "On the performance of temporary duty officers who were appointed to the consent of the Verkhovna Rada of Ukraine, President of Ukraine and the Verkhovna Rada of Ukraine

by the President of Ukraine "( [709/97-VR](#) ).

One candidate could be introduced no more than two times. Governor of the National Bank dismissed by the Verkhovna Rada of Ukraine by the President of Ukraine in the following cases:

- 1) the expiration of the term of office;
- 2) due to the resignation submitted in writing form and accepted by the President of Ukraine;
- 3) The entry into force of conviction;
- 4) a court decision on the recognition of a person incapable;

- 5) termination of citizenship or departure from Ukraine for permanent residence;
- 6) loss of impeccable business reputation;
- 7) establish that providing false information when appointing the Chairman of the National Bank;
- 8) death or a court decision to declare a person dead;
- 9) Failure of duties, including the state of health for more than four months in a row;
- 10) of circumstances precluding the possibility of a person to be the Chairman of the National Bank (in accordance with paragraphs three and four of this article).

Governor of the National Bank is as before entering the newly appointed Chairman of the position, except as provided in paragraphs 2-10 of the eight of this article.

If the release of the National Bank of posts in the cases provided for in paragraphs 2-10 of the eight of this article, the temporary performance of duties of the National Bank shall be subject to the Law of Ukraine "On the performance of temporary duty officers who were appointed to the consent Verkhovna Rada of Ukraine, President of Ukraine and the Verkhovna Rada of Ukraine

by the President of Ukraine "( [709/97-VR](#) ).

{Article 18 as amended by Law N 1919-III

( [1919-14](#) ) of 13.07.2000; as amended by Law N 2478-VI

( [2478-17](#) ) of 09.07.2010}

**Article 19.** Duties and powers of the Governor of the National Bank

Governor of the National Bank:

- 1) manages the National Bank;
- 2) acting on behalf of the bank and represents his interests without authorization in relations with public authorities, with banks, financial and credit institutions, international organizations, other agencies and organizations;
- 3) presides at meetings of the Board of the National Bank;
- 4) sign the minutes, resolutions of the Board of the National Bank, orders and instructions, as well as agreements concluded by the National Bank;
- 5) divides responsibilities between Vice Chairman of the National Bank;
- 6) issue administrative acts binding on all employees of the National Bank, its businesses, institutions,
- 7) decide on other matters relating to the activities of the National Bank, in addition referred to the exclusive competence of the National Bank and the National Bank under this Act;
- 8) alone is responsible to the Parliament of Ukraine and the President of Ukraine for the National Bank.

**Article 20.** Deputy Governor of the National Bank

Governor of the National Bank has deputies, the number of members is determined by him in consultation with the Council of the National Bank.

{Part one of Article 20 of the Law N 5285-VI ( [5285-17](#) )

of 18.09.2012}

National Bank Chairman shall appoint and dismiss deputy in consultation with the Council of the National Bank.

*{Part of Article 20 of the Law N 5285-VI ( [5285-17](#)) from 18.09.2012}*

Deputy Chairman of the National Bank shall be a citizen of Ukraine, which meets the requirements set by the second paragraph of Article 10 of this Law.

A person shall be the Vice-Chairman of the National Bank, if it has the proper rights or holds or has held the position of director of a public authority or other public body (if not passed one year from the date of dismissal of such positions), or a leader of a political party or member of the governing of a political party or a leader or part of the governing body of the legal entity (other than the National Bank and other entities, the governing bodies which the law provides for the participation of representatives of the National Bank, or where there are stocks (shares) owned by state), or a direct or indirect owner of any number of shares. At the time of tenure, Deputy Governor of the National Bank suspends membership in a political party.

*{Part of Article 20 changed and amended according to Law N 4395-VI ( [4395-17](#)) of 09.02.2012}*

To assign a Deputy Governor of the National Bank of the candidate for this position provides information confirming his candidacy compliance requirements established in parts two and three of this article.

Council of the National Bank approves the candidate for Vice President of the National Bank in case of compliance with the requirements set forth in parts two and three of this article. Deputy Chairman of the National Bank dismissed, in addition to general grounds provided by law on civil service and in the event of circumstances precluding the possibility of a person to be the Deputy Chairman of the National Bank (according to parts two and three of this article), revealing the fact of providing false information to appointment as Deputy Governor of the National Bank.

*{Article 20 as amended by Law N 1919-III ( [1919-14](#)) of 13.07.2000; as amended by Law N 2478-VI ( [2478-17](#)) of 09.07.2010}*

**Article 21.** heads of structural units of the National Bank

*{Title of article 21 of the Law N 2478-VI ( [2478-17](#)) of 09.07.2010}*

Department Directors of the National Bank shall be appointed and dismissed by the Governor of the National Bank in accordance with the labor legislation of Ukraine.

Unit managers, which included ex officio

a member of the Board of the National Bank shall be a citizen of Ukraine, which meets the requirements established by the second paragraph of

Article 10 of this Law. At the head of the structural

unit is also subject to the restrictions provided for in the third paragraph of Article 20 of this Law.

*{Article 21 the second paragraph is supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

To assign a unit managers, which in the post is a part of the National Bank, the candidate for this position provides information confirming its compliance with the requirements of candidates, the second part of this article.

*{Article 21 the third paragraph is supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

Head of structural unit, which is part of the ex officio members of the Board of the National Bank, dismissed, except for common grounds provided by law on civil service and in the event of circumstances precluding the possibility of a person to be the head of the structural unit (in accordance with the second paragraph of this article ), revealing the fact of providing false information to the appointment.

*{Article 21 is supplemented by part four accordance with the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

*{Name of section III ruled by Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

## **Article 22. structure of the National Bank**

The structure of the National Bank based on the principle of centralization of vertical subordination.

The system consists of the National Bank of the central office, branch (Regional Office), clearing houses, Banknote Printing and Minting Banknote Paper Mill, the State treasury Ukraine, Central Repository, specialized companies, banking institutions and other structural units and units required for the operation National Bank.

National Bank within the limits set by law, to decide the question of creation, liquidation and reorganization of structural units and institutions of the National Bank, its businesses, approve their statutes and regulations. For the transportation of property, protection of property and of its own facilities, the National Bank has a departmental guard, armed combat firearms. Departmental health within the powers conferred by this Act, may use physical force, special means of defense and military firearms in the manner provided in Article 12, paragraph one of Article 13, paragraphs 1 and 3 of the first, second and third paragraphs of Article 14 paragraphs 2, 3, 5 and 6 of the first, second and third paragraphs of Article 15, Article 15-1 of the Law of Ukraine "On Militia" ([565-12](#)).

*{Part four of Article 22 of the Law N 5103-VI ( [5103-17](#) ) of 05.07.2012}*

## **Article 23. rank affiliates**

Affiliates (Regional Office) National Bank have no legal status and can not issue regulations on behalf of the National Bank received within him powers. Tasks and functions of the National Bank branches

are determined by the Regulations approved by the Board of the National Bank.

#### **Section IV**

##### **MONETARY POLICY**

#### **Article 24.** Basic principles of monetary policy

Basic principles of monetary policy determines the performance of the National Bank in the medium term to achieve the objectives of the National Bank as defined in Article 6 of this Law.

When developing the Basic principles of monetary policy used macroeconomic indicators calculated by the Cabinet of Ministers of Ukraine.

National Bank of Ukraine shall inform Parliament about basic principles of monetary policy and the monetary market in the state in the manner prescribed in Articles 9 and 51 of this Law.

*{Part four of Article 24 is excluded by Law N 3828-VI ( [3828-17](#) ) of 06.10.2011}*

*{Article 24 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

#### **Article 25.** means and methods of monetary policy

The main economic means and methods of monetary policy is to regulate the money supply through:

- 1) the definition and regulation of required reserves of commercial banks;
- 2) The interest rate policy;
- 3) the refinancing of commercial banks;
- 4) management of foreign exchange reserves;
- 5) transactions in securities (other than securities confirming the corporate rights), including treasury obligations in the open market; (Paragraph 5 of Article 25 of Law N 1919-III ( [1919-14](#) ) of 13.07.2000)
- 6) regulate the import and export of capital;
- 7) issue its own debt and transactions with them.

*{Article 25, paragraph 7, supplemented by the Law N 1919-III ( [1919-14](#) ) of 13.07.2000}*

National Bank has the right to grant loans to refinance bank if it does not entail risks to the banking system.

*{Article 25 the second paragraph is supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

#### **Article 26.** Reserve requirements

*(Name of article 26 of the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)*

National Bank Bank shall establish the mandatory reserve funds. Thus: (Article 26 as amended pursuant to the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

- 1) reserve requirements established only for banks as a percentage of the total amount borrowed bank money in local and foreign currencies; (Paragraph 1 of Article

26, as amended by the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

2) for different types of obligations may be imposed various Reserve requirements; (Paragraph 2 of Article 26 as amended pursuant to the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

3) The decision to raise the ratio of compulsory redundancy takes effect no earlier than 10 days after its publication. (Paragraph 3 of Article 26 as amended by Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

**Article 27.** interest rates

National Bank establishes the procedure for determining the discount rate and other interest rates on its operations.

**Article 28.** Managing foreign exchange reserves

The National Bank manages foreign exchange reserves of the state, making foreign exchange intervention by the purchase and sale of currency values in foreign exchange markets to influence the exchange rate against foreign currencies and the overall demand and supply of money in Ukraine.

**Article 29.** Operations Open Market

Open market operations of the National Bank, including a premium or a discount is buying and selling Treasury obligations and other securities (other than securities confirming the corporate rights) and liabilities, determined by the Board of the National Bank.

*{Article 29 of the Law N 1919-III ( [1919-14](#) ) of 13.07.2000; as amended by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 30.** Regulation of import and export of capital

National Bank of Ukraine in accordance with the laws of foreign trade activities and the system of currency regulation and currency control regulates the import and export of capital.

**Article 31.** funds of the State Budget of Ukraine and local budgets

The Cabinet of Ministers of Ukraine, the Council of Ministers of the Autonomous

Republic of Crimea, local state administrations, the executive respective local councils are required to keep budget in the National Bank account opened to the State Treasury of Ukraine, unless otherwise provided in the Budget Code of Ukraine ( [2456-17](#) ).

Conditions and procedure for servicing budget determined by the agreement between the National Bank and the State Treasury of Ukraine, with services to the State Treasury of Ukraine National Bank provided free of charge.

*{Article 31 of the Law N 2457-VI ( [2457-17](#) ) of 08.07.2010}*

**Section V**

MANAGEMENT cash circulation

**Article 32.** Currency

The monetary unit of Ukraine is the hryvnia, equal to 100 kopecks. Issue and circulation in Ukraine and other currencies use money substitutes as means of payment are prohibited.

Formal relationship between the UAH and gold or other precious metals is not installed.

**Article 33.** Powers of the National Bank on cash circulation

To ensure the cash turnover of the National Bank shall:

- 1) production and storage of banknotes and coins;
- 2) the creation of reserve funds banknotes and coins;
- 3) establishment of denominations, security systems, payment features and design of banknotes and coins, as well as restrictions on the use of security features of the payment and play design elements banknotes and coins;

*{Paragraph 3 of Article 33 of the Law N 5285-VI ([5285-17](#)) of 18.09.2012}*

- 4) establish procedures for the replacement of damaged banknotes and coins;
- 5) establish rules for issuance, processing, storage, collection, transportation, withdrawal from circulation and destruction of cash;

*{Paragraph 5 of Article 33 of the Law N 5285-VI ([5285-17](#)) of 18.09.2012}*

- 6) determine the order of cash transactions for banks, other financial institutions, enterprises and organizations; (Item 6 of Article 33, as amended by the Law N 2922-III ([2922-14](#)) of 10.01.2002)

- 7) determine requirements for maintenance of the status and protection of areas of banking institutions.

**Article 34.** Issue

The exclusive right to put into circulation (issue) UAH and token coins, the organization of their treatment and the retirement of belonging to the National Bank.

Cash in circulation as currency - banknotes (paper) and coins (metal). The total amount put into circulation banknotes and coins mentioned in the accounts of the National Bank as its liabilities.

Banknotes and coins are unconditional liabilities of the Bank and provided all of its assets.

**Article 35.** banknotes and coins

Hryvnia (banknotes and coins) as the national currency is the only legal tender on the territory of Ukraine, adopted by all natural and legal persons without any restrictions on the entire territory of Ukraine for all types of payments, as well as admission to the accounts, deposits, letters of credit for transfers.

**Article 36.** Hryvnia Rate

National Bank sets the official exchange rate of hryvnia to foreign currencies and publish it.

To control the rate of hryvnia against foreign currencies, the National Bank uses foreign reserves, buys and sells securities establishes and modifies the refinancing rate and uses other instruments regulating the money supply.

*{The effect of Article 36 is stopped imposing and changes in the refinancing rate and determining the procedure for granting*



loans

to commercial banks to maintain liquidity (refinancing of commercial banks), the National Bank of Ukraine is solely pursuant to Art. 86 Law N 835-VI ( [835-17](#) ) of 26.12.2008 - Article 86 excluded on the basis of the Law N 1131-VI ( [1131-17](#) ) of 17.03.2009}

**Article 37.** Convertibility Hryvnia

Conditions and procedure for the conversion (exchange) rate of hryvnia to foreign

currencies by the National Bank established under the laws of Ukraine on currency regulation.

National Bank can not restrict the rights of subjects of foreign exchange market to trade in foreign currency are guaranteed to them by law.

**Article 38.** Procedure for replacing worn and damaged banknotes and coins

Worn and damaged banknotes Ukraine accepted and exchanged free of charge at the new banknotes by the National Bank of Ukraine and banks without restrictions on the amount and timing of the change.

(Article 38 as amended pursuant to the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

Features and procedure for determining the solvency of money, as well order the exchange of worn and damaged banknotes are set by the National Bank.

**Article 39.** Withdrawal of banknotes and coins

National Bank, Bank of Ukraine shall exclude false, counterfeit or those that do not have the required attributes solvency, bank notes (bills and coins).

(Article 39 as amended pursuant to the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

The procedure for removal of such currency is set by the National Bank and regulated by the relevant regulatory acts.

National Bank and banks are not required to reimburse destroyed, lost, counterfeit, fake and those that have become invalid banknotes and coins.

(Art. 39 was amended according to the Law

N 2922-III ( [2922-14](#) ) of 10.01.2002)

National Bank officially announced through the media about the retirement of Ukraine currency (banknotes, coins).

Production for the purpose of putting into circulation or putting into circulation

of counterfeit banknotes entail responsibility according to the legislation of Ukraine.

**Section VI**

**ORGANIZATION OF ACCOUNTS AND ACCOUNTING**

**Article 40.** Adjusting payments

National Bank sets the rules, forms and standards settlement banks and other businesses and individuals in economic circulation Ukraine using both paper and electronic documents and payment instruments and cash

payments coordinating organization, provides permits for the clearing and settlement of transactions.

*(Article 40 as amended pursuant to the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

National Bank provides interbank payments through its institutions, giving permission to conduct interbank payments through direct correspondent relations with banks and through their own clearing system.

*(Article 40 as amended pursuant to the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

#### **Article 41.** Regulation of accounting

National Bank sets the requirements for the banking system of standards and rules of accounting and financial statements that comply with the laws of Ukraine and international financial reporting standards.

*{Text of Article 41 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

### **Chapter VII**

NBU

#### **Article 42.** Kinds of NBU

National Bank for the fulfillment of its functions has the following operations:

1) provides loans to commercial banks to maintain liquidity at a rate not lower the refinancing rate of the National Bank and in the manner prescribed by the National Bank;

*{Paragraph 1 of Article 42 of the stop in establishing and changing the refinancing rate and determine the order of loans to commercial banks to maintain liquidity (refinancing of commercial banks), the National Bank of Ukraine is solely pursuant to Art. 86 Law N 835-VI ( [835-17](#) ) of 26.12.2008 - Article 86 excluded on the basis of the Law N 1131-VI ( [1131-17](#) ) of 17.03.2009}*

2) provides loans to the Fund Entities for the discount rate of the National Bank of Ukraine; *{Part one of Article 42, paragraph 2 is supplemented by the Law N 2740-III ( [2740-14](#) ) of 20.09.2001; as amended by Law N 639-VI ( [639-17](#) ) of 31.10.2008 - changes apply not later than January 1, 2011}*

3) Exercise discount real bills and checks in the order determined by the National Bank;

4) buys and sells in the secondary market securities in accordance with the legislation of Ukraine;

5) opens its own correspondent and metal accounts in foreign banks and maintains accounts of correspondent banks;

6) buys and sells currency values for the purpose of monetary control;

7) saves precious metals, and buys and sells precious metals, precious metals, gemstones and other jewelry, commemorative and investment coins made of precious metals in domestic and foreign markets without quotas and licensing; *{Paragraph of Article 42 as amended in accordance with the Law N 1919-III ( [1919-14](#) ) of 13.07.2000}*

8) puts gold reserves on their own or through banks authorized him to conduct foreign exchange operations, performs with gold reserves of Ukraine banks whose rating by the international rating agencies meet the requirements of first-class banks to not less than Category A;  
8-1) performs activities related to the exploration, extraction, production and use of precious metals for the purpose of replenishing reserves, production of bank metals; {Part one of Article 42, paragraph 8-1 supplemented in accordance with the

Law N 4395-VI ( [4395-17](#) ) of 09.02.2012}

9) takes the storage and management of government securities , securities and other assets;

10) issuing guarantees and sureties, in accordance with regulations approved by the Board of the National Bank;

11) is due to the State Treasury of Ukraine with payment and accrual of interest;

12) performs servicing public debt, associated with the placement of government securities, their repayment and payment of interest on them;

13) maintain personal accounts of employees of the National Bank; (Paragraph of Article 42 as amended pursuant to the Law

N 1919-III ( [1919-14](#) ) of 13.07.2000)

14) keep accounts of international organizations;

15) provides indisputable collection of funds from the accounts of their clients in accordance with the laws of Ukraine, including by court order; (Paragraph of Article 42 as amended by the Law N 1919-III ( [1919-14](#) ) of 13.07.2000)

16) keep accounts of the Fund Deposit Guarantee.

{Part one of Article 42 amended by item 16, pursuant to the Law N 4452-VI ( [4452-17](#) ) of 23.02.2012}

National Bank has the right to perform other operations necessary for the performance of its functions.

National Bank has the right to impose a fee for providing him according to law services (the transactions).

*(Article 42 the third paragraph is supplemented by the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

**Article 43.** Participation in international organizations

National Bank has the right to take part in the formation of capital and the activities of international organizations under international treaties to which Ukraine is a party to, and in accordance with the agreements between it and foreign central banks.

## **Section VIII**

### **ACTIVITIES NATIONAL BANK ON OPERATIONS**

currency values

**Article 44.** Authority in the sphere of currency regulation and control

*(Name of article 44, as amended by the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

National Bank operates as an authorized government agency in the application of the legislation of Ukraine on currency regulation and currency control.

The competence of the National Bank in the foreign exchange regulation and control include: (Article 44 of the amended pursuant to the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

- 1) the publication of legal acts in respect of the foreign exchange transactions; (Paragraph 1 of Article 44, as amended by the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)
- 2) the issuance and revocation of licenses, monitoring, in particular by the implementation of planned and unplanned inspections by the activities of banks, businesses and individuals (residents and nonresidents), licensed by the National Bank on currency transactions in the observance of the foreign exchange law , (Paragraph 2 of Article 44 in the wording of the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)
- 3) establishment of open currency position limits for banks and other institutions that buy and sell foreign currency;
- 4) application of measures liable to banks, legal and natural persons (residents and non-residents) for violation of currency regulation and currency control. (Article 44, paragraph 4, supplemented by the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

**Article 45.** Organization of the foreign exchange market

National Bank determines the structure of the foreign exchange market of Ukraine

and organizes trade currency values on it in accordance with the laws of Ukraine on currency regulation.

**Article 46.** devizna discount and exchange rate policy

National Bank conducts monetary deviznu and discount policies and, where necessary, apply exchange restrictions.

The NBU discount monetary policy

by changing the discount rate of the National Bank to regulate the movement of capital and the balance of payment obligations, as well as currency exchange rate adjustment Ukraine to foreign currencies.

The NBU deviznu monetary policy on

the basis of rate regulation Ukraine currency against foreign currencies by buying and selling foreign currencies in the financial markets.

**Article 47.** structure of the reserves

To ensure internal and external stability of the currency of Ukraine National Bank has a gold reserve, which consists of the following assets:  
monetary gold;

special drawing rights;

Reserve position in the IMF;

foreign currency in the form of banknotes and coins or money to accounts abroad;

securities (other than shares) that are paid in foreign currency;

any other internationally recognized reserve assets provided to ensure their safety and liquidity.

(Article 47 as amended by Law N 1919-III

( [1919-14](#) ) of 13.07.2000)

**Article 48.** Updating and using the reserves

Replenishment of reserves held by the National Bank through:

- 1) purchase of monetary gold and foreign currency; (Paragraph 1 of Article 48, as amended by the Law N 1919-III ( [1919-14](#) ) of 13.07.2000)
- 2) revenues from transactions in foreign currencies, precious metals and other internationally recognized reserve asset;
- 3) the involvement of the National Bank of currency from international financial institutions, central banks of foreign countries and other creditors.

Use of reserves is carried out

by the National Bank on the following objectives:

- 1) purchase of currency on financial markets for monetary policy, including exchange rate policy;
- 2) costs on foreign currency monetary metals, and other internationally recognized reserve assets and operations of the support of the National Bank in the amounts provided estimates of revenues and expenditures of the National Bank; {Paragraph 2 of Article 48, as amended by the Law N 4395-VI ( [4395-17](#) ) of 09.02.2012}
- 3) The return of the National Bank of currency international financial organizations, foreign central banks and other creditors, including interest on such funds and other compulsory charges; {Part two of Article 48 is supplemented by paragraph 3 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}
- 4) participate in the formation of capital and the activities of international organizations in accordance with Article 43 of this Law. {Part two of Article 48, paragraph 4, supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

You may not use the reserves for

loans and guarantees and other commitments to residents and non-residents of Ukraine.

**Article 49. storage gold reserves**

National Bank is the custodian of state gold reserves, as well as precious metals, gemstones and other jewelry.

{Article 49 of the Law N 1416-IV ( [1416-15](#) ) of 03.02.2004}

*{Article 50 excluded on the basis of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

**Article 50. currency non-operating income and losses**

Gains and losses NBU related to changes in the valuation of assets and liabilities presented in the form of bank foreign exchange and gold, Special Drawing Rights, in connection with changes in exchange rates and gold prices are taken into account and compensated as follows:

- 1) the net foreign exchange earnings and losses zbalansovuyutsya appropriate amount of the special reserve account of revaluation of foreign exchange reserves in the balance sheet of the National Bank;

2) The above net income and losses are not taken into account when calculating the annual income of the National Bank.  
{The Law included in Article 50 in accordance with the Law N 2856-VI ( [2856-17](#) ) of 23.12.2010 - effective until January 1, 2012}

#### **Section IX**

RELATIONSHIP WITH PRESIDENT OF UKRAINE, Supreme COUNCIL OF UKRAINE UKRAINE and Cabinet

#### **Article 51. Accountability**

Accountable to the President of the National Bank of Ukraine and the Verkhovna

Rada of Ukraine within its constitutional powers.

Accountability means:

- 1) the appointment and dismissal of the Chairman of the National Bank of the Verkhovna Rada of Ukraine by the President of Ukraine;
- 2) The appointment and dismissal of the President of Ukraine half of the Board of the National Bank;
- 3) The appointment and dismissal of the Verkhovna Rada of Ukraine half of the Board of the National Bank;
- 4) Report of the National Bank of Ukraine Parliament on the activities of the National Bank;
- 5) Provision President of Ukraine and the Verkhovna Rada of Ukraine twice a year about the monetary market in the country.

National Bank of Ukraine provides quarterly information to the President of Ukraine, the Cabinet of Ministers of Ukraine and the Committee

of the Verkhovna Rada of Ukraine Committee on Finance and Banking on non-cash issue in the same period, namely:

operations of refinancing;  
interventions in the interbank market;  
transactions in the stock market.

{Article 51 is supplemented by part according to the Law N 1533-VI ( [1533-17](#) ) of 23.06.2009}

National Bank of Ukraine has the right to submit to the President of Ukraine in accordance with established procedure, proposals for legislative regulation of issues designed to perform the functions of the National Bank of Ukraine. {Article 51 is supplemented by part according to the Law N 3163-IV ( [3163-15](#) ) of 01.12.2005}

The National Bank shall annually submit to the President of Ukraine, the Verkhovna

Rada of Ukraine and the Cabinet of Ministers of Ukraine:

15 March - forward-monetary indicators for the next year;

1 April - information on the calculation of the projected profit available for distribution this year, which will be subject to the State Budget of Ukraine;

1 September - information on the calculation of the projected profit available for distribution next year, which will be subject to the State Budget of Ukraine.

{Article 51 is supplemented with part five accordance with the Law N 3828-VI ( [3828-17](#) ) of 06.10.2011}

#### **Article 52. Relations with the Cabinet of Ministers of Ukraine**

National Bank of Ukraine and the Cabinet of Ministers hold mutual consultations on monetary policy, development and implementation of national economic and social development.

National Bank at the request of the Cabinet of Ministers of Ukraine provides information on the process of monetary and monetary market.

{Part two of Article 52 changed and amended according to Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

The Cabinet of Ministers of Ukraine, ministries and other central executive authorities at the request of the National Bank provided information has an impact on the balance of payments, the monetary processes, monetary market, including monthly information on the income, expenditure and deficit and consolidated budgets state debt and payment schedule for him.

{Part three of Article 52 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

National Bank to support the economic policy of the Cabinet of Ministers of Ukraine, if it does not contradict ensure stability of the Ukraine.

Governor of the National Bank or on behalf of one of his deputies may participate in the meetings of the Cabinet of Ministers of Ukraine in an advisory capacity.

At meetings of the Board of the National Bank may take part members of the Cabinet of Ministers of Ukraine in an advisory capacity.

National Bank of Ukraine has the right to present the Cabinet of Ministers of Ukraine in due course proposal for legislative regulation of aiming to perform the functions of the National Bank of Ukraine. (Article 52 supplemented by part seven by the Law N 3163-IV ( [3163-15](#) ) of 01.12.2005)

**Article 53.** Guarantees of non-interference

Not allowed interference by public authorities and other public bodies or their officers and employees of, any legal or natural persons carry out the functions and powers of the National Bank, the National Bank, the Board of the National Bank, or employees of the National Bank except in the limits defined Constitution of Ukraine ( [254k/96-VR](#) ) and this Act.

National Bank takes accountability and provides information of public authorities and other public bodies in cases stipulated by the Constitution of Ukraine ( [254k/96-VR](#) ) and this Law. The regulation of issues related to the implementation of the National Bank of the functions carried out by making amendments to this Act.

{Article 53 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}

**Article 54.** Prohibition of loans to the state

National Bank has no right to grant loans in local and foreign currency, both directly and indirectly through a government agency, other entity whose property is state-owned, to finance expenditures of the State Budget of Ukraine.

National Bank has the right to buy in the primary market securities issued by the Cabinet of Ministers of Ukraine, the State agency, other entity, whose property is in the public domain.

*{Article 54 of the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

## **Chapter X**

### **BANKING REGULATION AND SUPERVISION OF BANKING**

#### **Article 55.** Objective and scope of banking supervision

The main purpose of banking regulation and supervision - safety and financial stability of the banking system, protect the interests of depositors and creditors.

National Bank carries out the functions of banking regulation and supervision on an individual and consolidated basis for the activities of

banks and banking groups within and manner prescribed by the legislation of Ukraine.

*{Part two of Article 55 of the Law N 3394-VI ( [3394-17](#) ) of 19.05.2011}*

National Bank has constant supervision of compliance by banks, their units, affiliates and related entities of banks in Ukraine and abroad, banking groups, agencies and branches of foreign banks in Ukraine, as well as other legal and natural persons of banking legislation, regulatory legal acts of the bank and economic standards. National Bank carries inspections and audits of financial-economic activity of persons referred to in this article.

*{Part three of Article 55 of the Law N 2922-III ( [2922-14](#) ) of 10.01.2002; as amended by the Law N 3394-VI ( [3394-17](#) ) of 19.05.2011}*

#### **Article 56.** Normative legal acts of the National Bank

The National Bank shall issue regulations on matters within its powers, which are mandatory for government and local authorities, banks, businesses, organizations and institutions, regardless of ownership, as well as for individuals.

Normative legal acts of the National Bank issued in the form of resolutions of the Board of the National Bank, as well as instructions, regulations, rules, approved by the Resolution of the Board of the National Bank. They can not contradict the laws of Ukraine and other legislative acts of Ukraine and are not retroactive, except where by law they mitigate or annul the responsibility.

Normative legal acts of the National Bank, which according to law is regulatory acts developed, reviewed, accepted and published on the basis of the Law of Ukraine "On the Principles of Regulatory Policy in Economic Activity " ( [1160-15](#) ).

*{Article 56 added part by the Law N 2388-VI ( [2388-17](#) ) of 01.07.2010}*

Normative legal acts of the National Bank shall be subject to compulsory state registration with the Ministry of Justice of Ukraine and shall enter into force in accordance with the laws of Ukraine.



Normative legal acts of the National Bank may be appealed in accordance with the laws of Ukraine.

**Article 57.** Access to information

To carry out its functions, the National Bank shall be entitled to receive free of charge from banks, banking groups and members of legal entities that are licensed by the National Bank, and of the persons to whom the National Bank carries out supervisory activities in accordance with the Law of Ukraine "On Banks and Banking Activity "( [2121-14](#) ), information on their activities and explanations in relation to information received and executed transactions.

*{Part one of Article 57 as amended by Laws*

*N 2922-III ( [2922-14](#) ) of 10.01.2002, N 3024-VI ( [3024-17](#) ) of 15.02.2011, N 3394-VI ( [3394-17](#) ) from 19.05.2011}*

To prepare the banking and financial statistics, analysis of the economic situation, the National Bank shall be entitled free of charge to obtain the necessary information from the public authorities and local governments, and businesses of all forms of ownership.

*(Article 57 as amended pursuant to the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

This information will not be disclosed except in cases envisaged by the legislation of Ukraine.

**Article 58.** economic standards

In order to protect the interests of depositors and creditors and ensure the financial soundness of banks, the National Bank in accordance with regards to the following sets are required economic standards. These standards should ensure the control of risks associated with capital, liquidity, credit, investment capital as well as interest rate and currency risk.

*(Article 58 as amended pursuant to the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

On further changes in the standards and methods of calculating National Bank officially announced not later than one month prior to putting them into action.

**Article 59.** Provisions to ensure risks

National Bank determines the size, formation and use of bank reserves to cover possible losses on loans, provisions for foreign exchange, interest rate and other risks of banks.

*(Article 59 as amended pursuant to the Law*

*N 2922-III ( [2922-14](#) ) of 10.01.2002)*

Reserves to cover possible financial risks as well as the deposit insurance fund shall be established by income before income taxes in accordance with the laws of Ukraine.

*(Article 60 excluded on the basis of the Law N 2922-III*

*( [2922-14](#) ) of 10.01.2002)*

**Article 61.** authority to exercise regulatory functions

National Bank of the State Regulation of activity of banks in the form determined by the Law of Ukraine "On Banks and

Banking Activity "( [2121-14](#) ), both directly and through which he had founded the banking supervisor.

(Article 61 of the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

(Article 62 repealed by Law N 2121-III ( [2121-14](#) ) of 07.12.2000)

**Article 63.** Restrictions requirements of the National Bank National Bank has no right to require banks to perform operations and other activities not covered by the laws of Ukraine and regulations of the National Bank.

#### **Section XI**

Employees of the National Bank

**Article 64.** status of the National Bank

{Establish in 2007, working pensioners, which are subject to this Act, is intended to early old-age (subject to subparagraph "d" of paragraph 1 of Article 26 of the Law of Ukraine "On Employment" ( [803-12](#) ), paragraph "c" part of Article 12 of the Law of Ukraine "On General Principles of further exploitation and decommissioning of Chernobyl NPP and transformation of the destroyed fourth power of the nuclear power plant in an environmentally safe system "( [309-14](#) ) and Article 21 of the Law of Ukraine ( [3721-12](#) ) "On the Fundamentals of Social protection of labor veterans and other elderly people in Ukraine ") in the period before retirement age set by law for the relevant category of persons is not paid in accordance with the Law N 489-V ( [489-16](#) ) of 19.12.2006; For more information see. The decision of the Constitutional Court N 6-rp/2007 ( [v0a6p710-07](#) ) on 09.07.2007} {establish that in 2007 the old-age pension under this Act is assigned only when you reach retirement age, under Article 26 of the Law of Ukraine "On Mandatory State Pension Insurance "( [1058-15](#) ) in accordance with the Law N 489-V ( [489-16](#) ) of 19.12.2006} {establish that from 1 January 2007 the maximum pension or monthly lifetime allowance (including bonuses, promotions, supplementary pensions, targeted cash benefits and pensions for special services to the Ukraine and other supplements to pensions, the legislation) intended (listed) in 2006-2007 under this Act may not exceed 12 times the minimum old-age pension established by paragraph first part of Article 28 of the Law of Ukraine "On Mandatory State Pension Insurance "( [1058-15](#) ), and in other categories of pensioners pension or monthly lifetime allowance (including bonuses, promotions, supplementary pensions, targeted cash benefits and pensions for special services to the Ukraine and other supplements to pensions, the legislation) intended (restated) in 2007, the year can not exceed 10 thousand per month in accordance with the Law N 489-V ( [489-16](#) ) of 19.12.2006} (Set the size pensions (including bonuses, promotions, supplementary pensions, targeted cash benefits and pensions for special services to the Ukraine and other supplements to pensions, the legislation), designed in 2006, according

to this Act shall not exceed 12 times the minimum pension at age established the first paragraph of Article 28 of the Law of Ukraine "On Mandatory State Pension Insurance"

( [1058-15](#) ), according to the Law N 3235-IV ( [3235-15](#) ) of 20.12.2005)

(To establish that early in 2006 granted pension age subject to subparagraph "d" of paragraph 1 of Article 26 of the Law of Ukraine "On

Employment " ( [803-12](#) ) prior to reaching retirement age set by law for the relevant category of persons working pensioners covered by this Law shall not be paid pursuant to the Law N 3235-IV ( [3235-15](#) ) of 20.12.2005)

Terms hiring, firing, pay, vacations, duties and rights, the system of disciplinary sanctions, social protection of employees of the National Bank by the Law of Ukraine "On Civil Service" ( [3723-12](#) ).

NBU employees are employees and service personnel of the National Bank. Servants are persons who are directly involved in carrying out the functions of the National Bank and hold office as provided for staff.

Board of the National Bank shall enumerate the positions of employees, labor contract which is concluded in the form of a contract. (Article 64 the third paragraph is supplemented in accordance with

the Law N 1919-III ( [1919-14](#) ) of 13.07.2000)

Employees of the National Bank of civil servants, and are subject to the rules of the Law of Ukraine "On Civil Service", if the law provides otherwise.

Question functioning civil service in the National Bank and decides the classification of the National Bank of Ukraine in accordance with the law.

The ranks of civil servants of the National Bank the first category positions are assigned by the President of Ukraine. Other ranks are assigned by the Chairman of the National Bank. The structure of the service staff of the National Bank includes employees whose duties are not directly related to the performance of the functions of the National Bank.

Wage employees of the National Bank Board of the National Bank established under the Law of Ukraine "On Civil Service".

Wage attendants National Bank Board of the National Bank established pursuant to legislation on wages.

#### **Article 65. Prohibited activities**

Governor of the National Bank, his deputies, members of the Board of the National Bank and other employees of the National Bank in accordance with a list of positions approved by the Board of the National Bank may not be the people's deputies of Ukraine, members of the Government of Ukraine to do business, to do work part-time, in addition to teaching, research and other creative activities.

Employees of the National Bank shall be prohibited to enter the governing bodies and be shareholders.

(Article 65 as amended pursuant to the Law  
N 2922-III ( [2922-14](#) ) of 10.01.2002)

National Bank Chairman, Deputy Chairman, members of the Board of the National Bank and other officials of the National Bank shall be prohibited from receiving loans from any other credit institutions, with the exception of the National Bank.

**Article 66. secrecy**

Employees of the National Bank shall be prohibited to disclose information constituting state secrets, banking secrets or other confidential information that has become known to them in connection with

their official duties, and in the case of work stoppage in the National Bank, except in cases provided by the legislation of Ukraine.

(Article 66 as amended by Law N 2922-III  
( [2922-14](#) ) of 10.01.2002)

**Chapter XII**

The banking STATISTICS STATISTICS AND  
BALANCE OF PAYMENTS

**Article 67. Determining accountability**

National Bank in order to fulfill regulatory and supervisory functions determines the form of statements (including consolidated), the procedure of preparation and submission to the National Bank, which are binding on all subjects

of management, including: (first indent of the first paragraph

Article 67 was amended by the Law N 2922-III

( [2922-14](#) ) of 10.01.2002)

1) banks located in Ukraine (residents and nonresidents), bank groups, bank groups of participants - for the monetary and banking statistics; {Paragraph 1 of Article 67 as amended pursuant to the

Law N 2922-III ( [2922-14](#) ) of 10.01.2002, N 3394-VI

( [3394-17](#) ) of 19.05.2011}

2) all business entities (residents and nonresidents) - for compiling balance of payments statistics and the implementation of exchange controls. (Paragraph 2 of Article 67 , as amended by the Law N 2922-III ( [2922-14](#) ) of 10.01.2002)

To banks and other subjects of entrepreneurial activity information not subject to disclosure, except as provided for by the legislation of Ukraine.

The requirements of this article do not apply to summary statistical information to be published by the National Open bank.

**Article 68. Publications**

In order to ensure transparency of banking activities and balance of payments statistics, the National Bank:

1) published in the print of the Supreme Rada of Ukraine and the Cabinet of Ministers of Ukraine annual and quarterly balance sheets of the National Bank;

2) publishes a monthly statistical bulletin and journal "Bulletin of the National Bank of Ukraine ";  
3) published in the official publications of the current banking information, information on monetary and banking statistics, which do not belong to the public and banking secrecy;  
4) provides for the publication of information on monetary and banking statistics and statistics of the balance of payments in accordance with international agreements;  
5) provides monthly public informed about the decision of the National Bank regarding interest rates and conditions of the transactions with the banks and the facts that are important to the people who operate in the financial markets as well as on the policies pursued him refinancing monetary policy, including publish information about:  
Loans to banks (for more than 30 days) with the obligatory indication of the amount borrowed, the type of security provided and the date of the relevant decision of the National Bank;  
realization of foreign exchange intervention with the obligatory indication type of operation (purchase / sale of foreign currency), volume transaction currency and foreign exchange rate intervention.

*{Part one of Article 68, paragraph 5, supplemented in accordance with the Law*

*N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

National Bank informs the public about its activities by publishing the relevant information in the pages of the official website of the National Bank and the official publication of the National Bank, holding the heads of the National Bank of press conferences and appearances on radio and television, creating programs and broadcasts by broadcasting organizations of the National Bank and other manner prescribed by law.

*{Article 68 amended by adding a new part according to the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010; as amended by Law N 4395-VI ( [4395-17](#) ) of 09.02.2012}*

Composition information for publication in the mass media is determined by the State Statistics Committee of Ukraine in accordance with the laws of Ukraine.

The owner of the summary information on monetary and banking is the National Bank, which sets the mode of access to it in accordance with the laws of Ukraine. Using formal banking information other bodies for a wide publishing only with the permission of the National Bank or with reference to the source of its official publication.

National Bank of Ukraine puts on its website information about ultimate controllers of the banks.

*{Article 68 is supplemented with part five accordance with the Law N 3024-VI ( [3024-17](#) ) of 15.02.2011}*

*Chapter XIII*

#### **NATIONAL BANK AUDIT**

**Article 69.** internal audit

National Bank supervises the activities of its business units through internal audit, which

is carried out the internal audit of the National Bank,  
directly subordinate to the President of the National Bank.

*{Part one of Article 69 as amended pursuant to the Law  
N 2478-VI ( [2478-17](#) ) of 09.07.2010}*

Head of Internal Audit is appointed and  
dismissed by the Board in consultation with the National Bank.

*{Part two of Article 69 of the Law N 2478-VI ( [2478-17](#) )  
of 09.07.2010}*

Governor of the National Bank determines the order and frequency  
of internal audit in the structural units  
of the National Bank.

*{Part of Article 69 of the Law N 2478-VI ( [2478-17](#) ) of  
09.07.2010}*

Council of the National Bank approves the annual plan of  
audits of structural units of the National  
Bank.

*{Part of Article 69 of the Law N 2478-VI ( [2478-17](#) ) of  
09.07.2010}*

The Internal Audit regularly informs the Board  
of the National Bank and the State Bank on the results of  
audits conducted.

*{Part of Article 69 of the Law N 2478-VI ( [2478-17](#) ) of  
09.07.2010}*

#### **Article 70. External Audit**

An audit of the annual financial statements of the Bank  
held at least once a year audit firm that  
has experience in auditing according to international auditing standards.  
Council of the National Bank determines the auditor to  
verify the annual financial statements of the Bank for  
the submission of the National Bank.

The same audit firm shall not be entitled to audit  
the annual financial statements of the Bank for more than five  
consecutive years.

Accounting Chamber in order to exercise control over  
revenues and expenditures of the State Budget of Ukraine and the use of  
the State Budget of Ukraine carries out the verification of compliance with  
the estimates of revenues and expenditures of the National Bank.

*{Article 70 of the Law N 2478-VI ( [2478-17](#) ) of  
09.07.2010}*

#### **Chapter XIV**

##### **SPECIAL PROVISIONS**

#### **Article 71. Restrictions on activities**

National Bank shall be prohibited:

- 1) be a shareholder or member banks and other businesses,  
institutions;
- 2) to carry out real estate activities other than those related  
to the functioning of the National Bank and its institutions;
- 3) carry trade, manufacturing, insurance and other  
activities that are not the responsibilities of the National Bank;
- 4) to provide loans, loans to businesses and individuals,  
except as provided by this Act. {Part one of Article 71  
, paragraph 4, supplemented by the Law N 2478-VI ([2478-17](#)) of  
09.07.2010}

Restrictions set by the first paragraph of this Article shall not apply to:

- 1) acquisition to cover the debt of the National Bank of any rights and assets subject to their exclusion in the shortest possible time;
- 2) in cases provided for in Article 42 of this Law;
- 3) participation in the capital of other companies, institutions that provide activities of the National Bank;
- 4) production activities Mint, factory banknote paper and Treasury of Ukraine, which is carried out in accordance with the regulations laid down by the Board of the National Bank. {Part two of Article 71, paragraph 4, supplemented by the Law N 4395-VI ( [4395-17](#) ) of 09.02.2012}

**Article 72.** Tax regime

The National Bank shall pay taxes according to the laws of Ukraine on taxation.

**Article 73.** overwhelming and unconditional right

National Bank is overwhelming and unconditional right to meet any refinancing carried out based on the bank's request, issued in accordance with the law under which it matures.

*{Part one of Article 73 as amended pursuant to the Law N 2922-III ( [2922-14](#) ) of 10.01.2002}*

Priority and freehold done if it an agreement is implemented by the National Bank by writing off debt on an uncontested basis of bank accounts and the sale of other assets that are pledged to meet the requirements of the National Bank, and meet the requirements for due to net proceeds of their sale .

National Bank of Ukraine also applies indisputable right of debiting funds from the correspondent account of the bank in favor of the Fund Deposit Guarantee Fund in the event of an appeal in the manner prescribed by the Law of Ukraine "On guaranteeing deposits of individuals "( [4452-17](#) ).

*{Article 73 the third paragraph is supplemented by the Law N 4452-VI ( [4452-17](#) ) of 23.02.2012}*

*(Law amended Article 73 in accordance with the Law N 1919-III ( [1919-14](#) ) of 13.07.2000)*

**Chapter XV**

**MISCELLANEOUS**

1. This Act shall take effect from the date of publication, with the exception of parts of the ninth and tenth of Article 10 of this Law, which

shall take effect from the date of formation of the National Bank of Ukraine as a whole by the President of Ukraine and the Verkhovna Rada of Ukraine.

*{§ 1, as amended by the Law N 1658-III ( [1658-14](#) ) of 20.04.2000}*

2. Council of the National Bank shall be established within two months from the date of enactment of this Act. At the time of formation of

the National Bank of its functions in relation to monetary policy takes the National Bank.

3. Consider null and void:

Sections II and V of the Law of Ukraine "On Banks and Banking Activity "( [872-12](#) ) (Supreme Council of Ukraine, 1991, N 25, st.281);

Resolution of the Presidium of the Supreme Soviet of Ukraine "On Statute of the National Bank of Ukraine "( [1605-12](#) ) of 7 October 1991.

4. Qualifications for members of the National Bank and the National Bank, by this Act shall apply to persons who are appointed member of the Board of the National Bank and the National Bank of the entry into force of the Law of Ukraine on July 9, 2010 "On Amendments to Certain Legislative Acts of Ukraine on the National Bank of Ukraine. "

Members of the National Bank and was appointed to the date of entry into force of the Law of Ukraine on July 9, 2010 "On Amendments to Certain Legislative Acts of Ukraine regarding the activities of

the National Bank of Ukraine "continue to exercise their duties until the expiration of the term for which they were intended.

{ Chapter XV, paragraph 4, supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010 }

5. National Bank within three months from the date of entry into force of the Law of Ukraine on July 9, 2010 "On Amendments to Certain Legislative Acts of Ukraine regarding the activities of the National

Bank of Ukraine "to form the composition of the Board of the National Bank in accordance with the requirements imposed by him and bring its regulations in accordance with this Law.

{Chapter XV, paragraph 5, supplemented by the Law N 2478-VI ( [2478-17](#) ) of 09.07.2010 }

President of Ukraine Leonid Kuchma

Kyiv, May 20, 1999

N 679-XIV