

KPMG Ukraine

## Tax and Legal News

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### The National Bank of Ukraine has resumed interest rate limitations on loans from non-Ukrainian lenders

On 15 October 2009, the National Bank of Ukraine (the “NBU”) adopted Resolution No. 614 which resumed the interest rate limitations on medium and long-term loans from non-resident (lenders) that had been repealed late last year.

Thus, effective 15 November 2009, the maximum interest rate for fixed interest loans is the following:

- with a maturity of less than 1 year - 9.8% per annum,
- with a maturity between 1 and 3 years – 10% per annum,
- with a maturity of more than 3 years - 11% per annum.

Floating interest rates will be now capped at LIBOR for three month USD deposits plus 750 basis points.

Generally, the current loans should not be affected by the Resolution. However, the NBU may refuse registration of amendments to financial terms of loan agreements in case the total costs under the loan agreements (including interest, fees,

commissions and other payments) would in aggregate exceed the above limitations. This rule, however, would not be applicable in case of amendments related to change of name, address or banking details or assignment of debt to a foreign borrower.

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