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MACRO INDICATORS

- NBU purchased UAH 15 B worth of Ukraine domestic bonds during the second week of December (for a total of UAH 400 B of domestic bonds during 2022). As of December 19, 2022, the NBU held ~ UAH 705 B worth of domestic bonds in its portfolio (52% of all outstanding domestic bonds). ~UAH 484 B worth of domestic bonds are owned by Ukrainian banks and ~UAH 78 B belong to other legal entities registered in Ukraine.
- On December 22, 2022, the G7 finance ministers committed USD 32 B in budget support to Ukraine in 2023.
- IMF: In 2023, Ukraine's economy may grow by approximately 1%, while inflation and the state budget deficit may decrease.

TOP EVENTS

- Verkhovna Rada: In November 2022, Ukraine imported >200,000 electricity generators at zero VAT and free of customs duties. In total, >0.5 million generators have been imported to Ukraine since January 1, 2022.
- IntelExpress international transfers can be received at zero commission via Privatbank terminals.
- On December 19, 2022, the IMF approved the Program Monitoring with Board Involvement (PMB) for Ukraine. The PMB is aimed at helping Ukraine support its macroeconomic and financial stability and catalyze donor financing. The PMB targets a set of policy actions to include increased mobilization of state budget revenues, a pickup in the domestic debt market, strengthening the financial sector, and improving management transparency and effectiveness in state-owned enterprises.
- On December 19, 2022, Ukraine received a low-interest loan of CAD 500 M from Canada.
- On December 20, 2022, Ukraine received a EURO 200 M loan from the Netherlands at 3.641% per annum with the first interest payment in 4.5 years.
- WB is giving Ukraine another USD 610 M to cover current budget expenses.

- JSC "Ukrzaliznytsia" (Ukrainian state-owned railroad company) successfully negotiated the restructuring of payments for two issues of Eurobonds for a total amount of USD 895 M.
- The Netherlands committed EUR 2.5 B for all types of support to Ukraine over the next year.
- The US Congress adopted an amendment to the bill on financing the American Government, which will allow the transfer to Ukraine of the funds from the sale of seized assets of the Russian Federation.

TOP TRENDS

- State Customs Service: The trade turnover of Ukraine for 11 months of 2022 amounted to USD 90.1 B (imports - USD 49.4 B; exports - USD 40.7 B). China exported the most to Ukraine — USD 7.6 B, followed by Poland — USD 5 B, and Germany — USD 4 B, The biggest export markets were Poland (USD 6.2 B), Romania (3.5 B), and Turkey (USD 2.7 B).
- Ekonomichna Pravda: Oligarch Dmitri Firtash (Group DF) has lost a big chunk of his businesses (most of the gas distribution, more than half of urea production, a seaport) and is facing huge losses in the businesses he still owns (including his media empire).
- NBU: The net income of Ukrainian banks in January-November 2022 amounted to UAH 19.43 B, which is 3.4 times less than in the same period of 2021 (UAH 65.73 B).
- DGF: As of December 1, 2022, the total amount of deposits of individuals (including private entrepreneurs) in banks participating in the Deposit Guarantee Fund scheme amounted to UAH 993.1 B, which is UAH 22.9 B more than it was as of November 1, 2022.
- Ministry of Agricultural Policy: Costly logistics reduced the profitability of grain production for Ukrainian farmers to almost zero.

CLOSER LOOK

On January 1, 2023, the Law "On Joint-Stock Companies" Will Enter into Force

- The law is aimed at bringing Ukrainian legislation in line with the relevant EU legislation in terms of corporate governance. The major changes introduced by the new Law are as follows:
 - Corporate governance of joint-stock companies will become simpler. The management structure of a joint-stock company can now be one level. The required management bodies of a joint-stock company are a general shareholder meeting and a board of directors, without a supervisory board. The executive body under such a structure can only be collegial.
 - The minimum size of the authorized capital of a joint-stock company is reduced to 200 times the minimum wage (currently UAH 1.34 M).
 - General shareholder meetings can be held remotely and can involve electronic voting and surveys.
 - The position of corporate secretary is introduced to ensure the effective ongoing interaction of the company with shareholders and stakeholders, etc. The position of corporate secretary is mandatory in:
 - joint-stock companies whose shares are listed / publicly offered;
 - banks, insurance companies, non-state pension funds, other joint-stock companies, which are enterprises of public interest;
 - private joint-stock companies with >100 shareholders.
- The concept and mechanism of a classic corporate contract are introduced.
- The question of qualification of certain transactions as significant transactions has been clarified.

Source: *Ekonomichna Pravda*

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The information provided here is compiled from public sources, including the media, websites of the government, financial institutions, business associations, and economic think tanks.

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