

LAW OF UKRAINE

No. 358-V of 16 November 2006

On Amending the Law of Ukraine "On Banks and Bank Activity"

The Verkhovna Rada of Ukraine hereby decrees to:

. Make the following amendments to the Law of Ukraine "On Banks and Bank Activity" (Vidomosti Verkhovnoyi Rady Ukrainy, 2001, No. 5 - 6, p. 30; 2003, No. 14, p. 104; as amended by the Law of Ukraine No. 133-V of 14 September, 2006):

1. In Article 2:

in the definition of the term "bank with foreign capital" substitute the words "foreign investor, amounts to no less than" for the words "non-resident, exceeds";

supplement the definition of the term "bank license" after the words "on the grounds of which the banks", with the words "and foreign bank branches";

supplement the Article after the definition of the term "subscription capital", with the definition as follows:

"establishment capital: an amount of money in a convertible currency provided by a foreign bank to its branch for its accreditation";

supplement the definition of the term "bank representative office" after the words "a bank subunit that", with the words "performs the functions of representing the bank and protecting the interests thereof and".

2. Article 3 after part one shall be supplemented by a new part reading as follows:

"Provisions of this Law and normative-legal acts of the National Bank of Ukraine shall be applied both to banks and to foreign bank branches."

In this connection, parts two and three shall be deemed parts three and four, respectively.

3. Part one of Article 4 after the words "other banks" shall be supplemented with the words "as well as foreign bank branches."

4. Articles 23 and 24 shall be worded as follows:

"Article 23. The procedure for opening branches and representative offices of banks in the territory of Ukraine

A bank shall be entitled to open branches and representative offices in the territory of Ukraine, if it meets the requirements as to opening branches and representative offices stipulated by normative-legal acts of the National Bank of Ukraine.

Information about bank branches

Activities of a foreign bank branch shall meet the requirements stipulated by this Law and by the normative-legal acts of the National Bank of Ukraine. The National Bank of Ukraine shall

The National Bank of Ukraine may refuse to accredit a representative office of a foreign bank in the events of violation of the accreditation procedure, of the submitted documents not complying with the requirements of this Law or normative-legal acts of the National Bank of Ukraine, of the submitted documents being unreliable, or of the scope of authority regarding the field of operation of the representative office being trespassed.

The decision to grant or refuse accreditation of a representative office of a foreign bank shall be approved by the National Bank of Ukraine within

3) In the Law of Ukraine "On the Individuals' Deposits Guarantee Fund" (Vidomosti Verkhovnoyi Rady of Ukraine, 2002, No. 5, p. 30):

in preamble and the text of the Law, the words "a bank that is the participant (temporary participant) in the Fund", "banks that are the participants (temporary participants) in the Fund" shall be substituted, respectively, with the words "participant (temporary participant) in the Fund";

in passage two of Article 1, the word "bank" shall be substituted with the word "participant";

in Article 2:

part one shall read as follows:

"Participants in the Individuals' Deposits Guarantee Fund (hereinafter the "Fund") shall be banks and foreign bank branches registered in the State Register of Banks kept by the National Bank of Ukraine and having a bank license to carry out banking activity. Participation in the Fund by banks and foreign bank branches shall be obligatory";

in part four the words "Banks that are the participants in the Fund" and "banks" shall be substituted, respectively, by the words "Participants in the Fund" and "banks and foreign bank branches";

part five shall read as follows:

"After having been relegated to the category of temporary participants in the Fund, a bank or a foreign bank branch whose deposits of individuals were attracted prior to the date of their relegation to that category, shall be required to pay contributions to the Fund until acquitting in full of their obligations to depositors in respect to repayment of their deposits and accrued interest";

in part six the words "this bank" shall be substituted with the words "bank or foreign bank branch";

in part seven the words "bank" and "it" shall be substituted with the words, respectively, "bank or foreign bank branch" and "bank or branch";

in the first sentence of part one of article 3 the word "banks" shall be substituted with the word "participants";

paragraph 1 of Article 4 shall read as follows:

"1) by members of a bank's or foreign bank's supervisory board, board of directors, and auditing committee whose deposits in the bank or foreign bank are inaccessible";

in part two of Article 5 the words "Banks that are participants (temporary participants)" shall be substituted with the words "Participants (temporary participants)";

in paragraphs 1 and 2 of Article 6 the word "bank" shall be substituted with the words "bank or foreign bank branch";

in Article 10 the word "banks" shall be substituted with the word "participants";

in paragraph 19 of part two of Article 14, paragraph 17 of Article 19, paragraph 1 of part one of Article 21, first passage in part four of Article 27, and part one of Article 28 the words “bank that is a participant in the Fund” and “banks that are participants in the Fund” shall be substituted with the words “the Fund participant” and “the Fund participants”;

in paragraph 9 of Article 19 the words “participant bank” shall be substituted with the word “participant”;

in paragraph 20 of part two of Article 14 and paragraph 18 of Article 19 the word “bank” shall be substituted with the words “bank or foreign bank branch”;

part one of Article 22 after the words “bank’s authorized capital” shall be supplemented with the words “(ascribed capital of a foreign bank branch)”, and the words “participant banks” shall be substituted with the word “participants”;

in part two of Article 26 the words “banks that are participants (temporary participants)” shall be substituted with the words “participants (temporary participants)”;

in Article 27:

in part three the word “bank” shall be substituted with the words “bank or foreign bank branch”;

in part four:

in paragraph 1 the word “bank” shall be substituted with the word “participant”;

in paragraph 2 the word “banks” shall be substituted with the words “banks or foreign bank branches”;

in paragraph 3 the word “bank” shall be substituted with the word “participant”;

in Article 28:

part two shall read as follows:

“The Fund shall not reimburse the guarantee amount on deposits of individuals attracted by a bank or foreign bank branch relegated to the category of temporary participant in the Fund, such as are attracted starting from the date of receipt by the bank or foreign bank branch of the notice of having been relegated to the category of temporary participant in the Fund”;

in the title and the body of text, the words “bank” and “banks” shall be substituted, respectively, with the words “participant in the Fund” and “participants in the Fund”;

in Article 29:

in the title and the body of text, the word “bank” shall be substituted with the words “bank or foreign bank branch”;

in part two the word “it” shall be substituted with the words “bank or foreign bank branch”.

3. The Cabinet of Ministers of Ukraine shall:

Within three months after coming into effect of this Law, submit for consideration by the Verkhovna Rada of Ukraine, proposals to bring laws of Ukraine into line with this Law;

Within six months after coming into effect of this Law, bring its normative acts into line with this Law.

4. Within one year after coming into effect of this Law, the National Bank of Ukraine shall bring its normative-legal acts into line with this Law.