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# Cross-border trade with Ukraine continues amid war, martial law

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While war and martial law in Ukraine has put operations on hold for numerous businesses, cross-border trade with Ukrainian counterparties has not stopped entirely. In fact, cross-border trading in various critical goods and services continues and permits Ukraine to survive the war and ensure the smooth functioning of logistical and other processes in the country.

In the aftermath of the 24 February 2022 Russian invasion of Ukraine, which significantly shook its economy, the government implemented immediate and decisive actions aimed at protecting various businesses vital for Ukraine's economic survival.

In these circumstances, the National Bank of Ukraine (**NBU**) on 24 February 2022 issued a Regulation on the conditions for the operation of the banking system and functioning of the foreign exchange market under martial law. This Regulation has implemented a number of temporary restrictions in order to ensure the stability and proper functioning of the country's financial system.

Among the most notable restrictions that the NBU has introduced is the temporary moratorium on cross-border currency payments. However, acknowledging market demands, the NBU clarified this restriction by allowing residents of Ukraine to make cross-border currency payments in order to purchase critical import goods as defined in the list approved by the Cabinet of Ministers of Ukraine.

The key critical import goods on this list include:

- Agricultural products (wheat, grain);
- Agricultural machinery, spare parts, equipment for agricultural work;
- Certain food products (eggs, corn, poultry, fats and oils, margarine, sugar and cocoa confectionery, foods for infants and young children);
- Nitrogen, phosphorus and potassium fertilizers;
- Paper and cardboard;
- Paints and lacquers;
- Oil and oil products (including crude oil and oil products);
- Petroleum gases;
- Medicines;
- Medical products;
- Electric generator sets;
- Hygiene products;
- Provitamins, vitamins and their derivatives.

If a cross-border currency payment is intended to be used to purchase any of the critical import goods on the above list, the payment can be performed despite the temporary moratorium.

For more information on the economic situation in Ukraine and conducting business during the crisis, contact your CMS partner or local CMS experts.



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