



Board of the National Bank of Ukraine
RESOLUTION

30 November 2021

Kyiv

No. 127

**On Approval of Amendments to the Regulation On
Setting the Official Exchange Rate of the Hryvnia
against Foreign Currencies and Calculating the
Reference Exchange Rate of the Hryvnia against the U.S.
Dollar and Accounting Prices for Investment Metals**

Pursuant to Articles 7, 15, 36, and 56 of the Law of Ukraine *On the National Bank of Ukraine*, in order to improve the procedure for calculating the official hryvnia exchange rate against foreign currencies and reference hryvnia exchange rate for the U.S. Dollar, the NBU Board hereby **resolves as follows**:

1. To approve the Amendments to the Regulation *On Setting the Official Hryvnia Exchange Rate against Foreign Currencies and Calculating the Reference Exchange Rate of the Hryvnia against the U.S. Dollar and Official Prices for Investment Metals* approved by NBU Board Resolution No. 148 dated 10 December 2019 (as amended), which are enclosed.

2. Following the official publication, the Open Market Operations Department (Oleksii Lupin) shall communicate to the banks of Ukraine the information on the approval of the Resolution.

3. Yuriy Heletiy, Deputy Governor of the NBU, is entrusted with control over implementation of the Resolution.

4. The Resolution comes into effect on 4 January 2022.

Governor

Kyrylo SHEVCHENKO

Ref. 40

APPROVED
Resolution of the Board
of the National Bank of Ukraine
No. 127 dated 30 November 2021

Amendments to the Regulation On Setting the Official Exchange Rate of the
Hryvnia against Foreign Currencies and Calculating the Reference Exchange Rate
for the U.S. Dollar and Accounting Prices for Investment Metals

1. Section I:

1) In paragraph 1 the words “setting and using by the National Bank of Ukraine (hereinafter - the NBU) of the official hryvnia exchange rate against foreign currencies and calculating the reference” shall be replaced with the words “setting, calculating, publishing, and using the official hryvnia exchange rate, as well as calculating, publishing and using the reference”.

2) In paragraph 2 subparagraph 1 the figures and words “3:30 p.m.”, “the National Bank of Ukraine” shall be replaced with the figures and words “3:00 p.m.”, “the National Bank of Ukraine (hereinafter referred to as the NBU)”, respectively

3) In paragraph 4 the word “calculating” shall be removed.

2. Section III:

1) In the title the words “, Publishing and Using” shall be replaced with the words “and Publishing”

2) In paragraph 7 subparagraph 1:

Indent one after the words and letters “or calculating the official hryvnia exchange rate against U.S. dollar” shall be supplemented with the words and letters “and the reference hryvnia exchange rate for the U.S. dollar.”

Indent three after the word “SPOT” shall be supplemented with the words, figures, and letters “in the volume from USD 100,000 through USD 5 million.”

in indent five:

The first sentence shall be laid out in the following wording: “between 12:15 p.m. and 1:00 p.m. the NBU requests from the banks – that enter into deals on Ukraine’s interbank FX market – their quotes related to the purchase/sale of USD 1 million via the TIS functionality in case there are grounds for using the calculation of the official UAH/USD exchange rate under special conditions specified in Section III paragraph 7 subparagraph 1 indents three and four of this Regulation.”

The second sentence after the word “List” shall be supplemented with the words “of Banks”

in indent six:

In the first sentence the words and figures “that is identical to the request outlined in Section III paragraph 7 subparagraph 1 indent five of this Regulation” shall be replaced with the words and figures “that corresponds to the content of the request outlined in Section III paragraph 7 subparagraph 1 indent five hereof”

The indent after the word “List” shall be supplemented with the words “of Banks.”

3) paragraph 11 shall read as follows:

“11. If the Cabinet of Ministers of Ukraine makes a decision to transfer business days, the NBU is entitled to:

1) set the official hryvnia exchange rate against foreign currencies at the level of the previous business day for the currencies for which the NBU sets the official hryvnia exchange rate daily under the list specified in Section II paragraph 5 subparagraph 1 hereof

2) set the accounting prices for investment metals at the level of the previous business day for the investment metals for which the NBU sets the accounting prices daily under the list specified in Section II paragraph 5 subparagraph 3 hereof.”

4) in paragraph 13 indent one the figures “4:00 p.m.” shall be replaced with the figures “3:30 p.m.”

3. Section IV:

1) paragraphs 15, 16 shall read as follows:

“15. The calculation of the reference UAH/USD exchange rate is performed each business day in accordance with the calculation of the official UAH/USD exchange rate and the reference UAH/USD exchange rate (Annex 1) or the calculation of the official UAH/USD exchange rate and reference UAH/USD exchange rate under special conditions (Annex 2).

The calculation of the reference UAH/USD exchange rate under special conditions is applied if:

the number of TOD, TOM, and SPOT deals on the purchase/sale of the U.S. dollar in an volume from USD 100,000 through USD 5 million that were concluded by banks with other banks – and with the NBU in the FX market of Ukraine on the day of the official exchange rate being calculated and were reported to the NBU via TIS through relevant information exchange channels before 11:30 a.m. on the same day – is equal or less than 10% of the average daily value of a similar indicator in the previous month

due to the operational risk event at the stages of receiving and/or processing the information from TIS on the deals specified in Section IV paragraph 15 indent 3 hereof,

the number of deals – the information on which is available as of 11:30 a.m. – is equal or less than 10% of the average daily value of a similar indicator in the previous month.

Between 11:35 a.m. and 12:00 p.m., the NBU requests from the banks that enter into deals on Ukraine's interbank FX market the quotes related to the purchase/sale of USD 1 million via TIS functionality in case there are grounds for using the calculation of the reference UAH/USD exchange rate under special conditions specified in Section IV paragraph 15 indents three and four hereof. The request is made to 20 banks included in the List of Banks.

The NBU sends a request that is identical to the request outlined in Section IV paragraph 15 indent five of this Regulation via telephony to 10 banks from the List of Banks if less than five banks have provided exchange rate quotes for the purchase and/or sale of the U.S. dollar in response to the previous request, or if no TIS is operating, for whatever reason. The request is sent to the first 10 banks from the List of Banks if the day of making said request is an even date. Otherwise the request is sent to the other 10 banks from the List of Banks.

If responses containing the exchange rate quotes on the purchase and/or sale of the U.S. dollar – following the requests sent pursuant to Section IV paragraph 15 indents five and six hereof – are obtained from not less than five banks, the NBU shall have the right to use the quotes so received to calculate the reference UAH/USD exchange rate according to the calculation of the reference UAH/USD exchange rate under special conditions (Annex 2)

16. If the Cabinet of Ministers of Ukraine decides to transfer business days, the NBU is entitled to calculate the reference UAH/USD exchange rate for the specified date at the level calculated on the previous business date.”

2) the section shall be supplemented with a new paragraph as follows:

“17. The information on the reference UAH/USD exchange rate is published on the NBU's official website before 12:30 p.m. of the day when it is calculated.

If the reference UAH/USD exchange rate was calculated using the calculation of the reference UAH/USD exchange rate under special conditions (Annex 2), the NBU reports that on its official website at the same time it publishes the information on the calculated value of this indicator.

4. Annexes 1 and 2 to the Regulation shall read as follows:

“Annex 1
to the Regulation On Setting the Official
Hryvnia Exchange Rate for Foreign
Currencies and Calculating the Reference
Hryvnia Exchange Rate for the U.S. Dollar
and Accounting Prices for Investment
Metals
(in the wording of NBU Board Resolution
No. 127 dated 30 November 2021)
(Section III paragraph 7 subparagraph 1)

Calculation of the Official UAH/USD Exchange Rate and the Reference UAH/USD Exchange Rate

1. The calculation of the official UAH/USD exchange rate and the reference UAH/USD exchange rate (hereinafter referred to as the Calculation) takes into account the information on all TOD, TOM, and SPOT deals on the purchase/sale of U.S. dollars in a volume from USD 100,000 through USD 5 million that were conducted on the FX market of Ukraine by banks with other banks and with the NBU on the day of calculating the official exchange rate and reference hryvnia exchange rate, and which were reported to the NBU via TIS through relevant information exchange channels:

- 1) by 12 p.m.: for the purpose of calculating the reference UAH/USD exchange rate
- 2) by 3:00 p.m.: for the purpose of calculating the official UAH/USD exchange rate.

2. The calculation is performed as follows:

1) from the available series of deals identified in accordance with paragraph 1 of the calculation, deals are excluded being based on exchange rates that deviate by more than 2 percent ($\pm 2\%$) from the median of the exchange rates series, which is calculated as follows:

The exchange rates of the series of deals are ranked from the lowest to the highest value

if deals series contain an odd number of deals, then the median of exchange rates series is calculated by the formula:

$$M_k = X_{k\left(\frac{n+1}{2}\right)},$$

where M_k is a value of the median of exchange rates series

$X_{k(\frac{n+1}{2})}$ is a value of $(\frac{n+1}{2})$ th deal

n is number of deals

if series contain an even number of deals, then the median of exchange rates series is calculated by the formula:

$$M_k = \frac{X_{k(\frac{n}{2})} + X_{k(\frac{n}{2}+1)}}{2},$$

where M_k is a value of the median of exchange rates series

$X_{k(\frac{n}{2})}$ is a value of $\frac{n}{2}$ th deal

$X_{k(\frac{n}{2}+1)}$ is a value of $(\frac{n}{2} + 1)$ th deal

n is number of deals

2) after paragraph 2 subparagraph 1 of the calculation has been fulfilled, the standard deviation of the exchange rate is calculated by the following formula:

$$\sigma_k = \sqrt{\frac{\sum_{i=1}^n (X_{ki} - \bar{X}_k)^2}{n}},$$

where σ_k is the standard deviation of the exchange rate

X_{ki} is the exchange rate in the i -th deal

\bar{X}_k is the arithmetic mean of the series of exchange rates

n is the number of deals

3) after paragraph 2 subparagraph 1 of the calculation has been fulfilled, the deals with exchange rates deviating from the arithmetic mean value of the exchange rates \bar{X}_k by more than two standard deviations of the exchange rate σ_k are excluded from the series

4) the deals series obtained upon fulfillment of paragraph 2 subparagraph 3 of the calculation is used as the base series for calculating the official UAH/USD exchange rate and the reference UAH/USD exchange rate.

The values of the official UAH/USD exchange rate and the reference UAH/USD exchange rate are calculated as the weighted average exchange rate of the base series by the following formula:

$$\bar{K} = \frac{\sum_{i=1}^n (K_i \times O_i)}{\sum_{i=1}^n O_i},$$

where \bar{K} is the weighted average of the exchange rate

O_i is the volume of the i -th deal

K_i is the exchange rate in the i -th deal

n is the number of deals.

Annex 2
to the Regulation On Setting the Official
Hryvnia Exchange Rate for Foreign
Currencies and Calculating the Reference
Hryvnia Exchange Rate for the U.S. Dollar
and Accounting Prices for Investment
Metals
(in the wording of NBU Board Resolution
No. 127 dated 30 November 2021)
(Section III paragraph 7 subparagraph 1)

Calculation of the Official Hryvnia Exchange Rate for the U.S. Dollar and the
Reference Hryvnia Exchange Rate for the U.S. Dollar Under Special Conditions

1. The official UAH/USD exchange rate (hereinafter referred to as the official
exchange rate) is calculated as follows:

1) in line with the calculation given in Annex 1 to the Regulation, On Setting the
Official Hryvnia Exchange Rate for Foreign Currencies and Calculating the Reference
Hryvnia Exchange Rate for the U.S. Dollar and Accounting Prices for Investment
Metals (hereinafter referred to as the Regulation), if the number of TOD, TOM, and
SPOT deals on the purchase/sale of U.S. dollars in a volume from USD 100,000
through USD 5 million that were concluded in the FX market of Ukraine by banks with
other banks and with the NBU on the day of the official exchange rate being calculated,
and that were reported to the NBU via TIS through relevant information exchange
channels before 3:00 p.m. on the same day – is equal or more than 10% of the average
daily number of said deals in the previous month

2) as the simple arithmetic mean of all exchange rate quotes to buy and/or sell
U.S. dollars that were received under Section III paragraph 7 subparagraph 1 indents
five or six of the Regulation if the number of TOD, TOM, and SPOT deals on the
purchase/sale of U.S. dollars in a volume from USD 100,000 through USD 5 million
that were conducted on the FX market of Ukraine by banks with other banks and with
the NBU on the day of the official exchange rate being calculated, and that were
reported to the NBU via TIS through relevant information exchange channels before
3:00 p.m. on the same day – is equal or less than 10% of the average daily number of
such deals in the previous month and if the conditions stipulated in Section III
paragraph 7 subparagraph 1 indent seven of the Regulation are complied with

3) as a value that equals the official UAH/USD exchange rate effective as of the
day of the calculation – if none of the calculation conditions stipulated in paragraph 1
subparagraphs 1 and 2 to the Regulation are complied with.

2. The reference UAH/USD exchange rate (hereinafter referred to as the reference exchange rate) is calculated as follows:

1) in line with the calculation given in Annex 1 to the Regulation – if the number of TOD, TOM, and SPOT deals on the purchase/sale of U.S. dollars in a volume from USD 100,000 through USD 5 million that were concluded on the FX market of Ukraine by banks with other banks and with the NBU on the day of the reference exchange rate being calculated, and that were reported to the NBU via TIS through relevant information exchange channels before 12:00 p.m. on the same day – is equal or more than 10% of the average daily number of said deals in the previous month

2) as the simple arithmetic mean of all exchange rate quotes to buy and/or sell U.S. dollars that were received under Section IV paragraph 15 indents five and six of the Regulation – if the number of TOD, TOM, and SPOT deals on the purchase/sale of U.S. dollars in a volume from USD 100,000 through USD 5 million that were conducted in the FX market of Ukraine by banks with other banks, and with the NBU on the day of the reference exchange rate being calculated and that were reported to the NBU via TIS through relevant information exchange channels before 12:00 p.m. on the same day – is equal or less than 10% of the average daily number of such deals in the previous month, and if the conditions stipulated in Section IV paragraph 15 indent seven of the Regulation are complied with

3) as a value that equals the reference UAH/USD exchange rate calculated in the previous business day – if none of the calculation conditions stipulated in paragraph 2 subparagraphs 1 and 2 to the Regulation are complied with.