

War Bonds: Invest to Support Ukraine

To raise the required financing and support the army, the Ministry of Finance of Ukraine has decided to issue series of war bonds that can be purchased both by Ukrainian legal entities and individuals, and foreign investors who want to support Ukraine. These bonds can be nominated and purchased in UAH, USD or EUR.

To promote the bonds, the National Bank of Ukraine has introduced a simplified identification and verification mechanism exclusively for foreign individual buyers of war bonds and for Ukrainian nationals who permanently or temporarily reside abroad. This new mechanism enables remote identification and verification. The client would only have to send the documents to the broker/bank through protected communication channels and pass verification by videoconference. Simplified procedure is available for transactions for the total amount of up to UAH 400,000 (approximately EUR 12,273.70) per month.

The most recent auction held on 19 April 2022 proved that the interest in Ukrainian military bonds is on the rise. During this auction, the Ministry of Finance issued and placed bonds for total amount equivalent to UAH 3.6 billion.

WHERE CAN YOU BUY WAR BONDS?

Minimum investment



from
UAH 1
thousand



Primary dealer
banks



KredoBank



Licensed
brokers



The Ministry of Finance already issued the following war bonds in UAH, USD and EUR:

ISIN	Currency	Interest rate	Volume	Redemption period
UA4000225668	UAH	11%	8,122,452,444	One year
UA4000225809	UAH	11%	51,000,000	Fifteen months
UA4000221436	UAH	10%	20,748,677	Two months
UA4000225791	UAH	10%	106,000,000	Six months
UA4000225775	USD	3,7%	82,000,000	One year
UA4000222509	EUR	2,5%	33,000,000	Eight months

Military bonds are issued domestically in Ukraine and normally traded through Ukrainian primary dealers (indicated above) that participate in auctions held by the Ministry of Finance in the interests of their clients.

For direct purchases, a foreign investor has to follow these steps:

- choose and conclude an agreement with a Ukrainian broker with primary dealer status (the Broker);
- open a local bank account and then a securities account in one of the Ukrainian depository institutions;
- place an order with the Broker.

If they do not have direct access to Ukrainian depository system or brokers, foreign investors can also consider using their foreign custodians as intermediaries in the process. Several foreign custodians have access to the Ukrainian depository system through nominee accounts foreign custodians hold with Ukrainian custodians. These foreign custodians are able to purchase and hold Ukrainian securities on behalf of their clients without the need for their clients to open Ukrainian accounts. Ukrainian war bonds can also be purchased via Clearstream.

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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