



Board of the National Bank of Ukraine
RESOLUTION

8 April 2020

Kyiv

No. 47

On Approval of the Regulation *On the Money and Foreign Exchange Markets Contact Group*
(as amended by Resolutions of the Board of the National Bank of Ukraine
No. 48 dated 13 April 2020,
No. 63 dated 14 May 2020,
No. 78 dated 19 June 2020, effective date: 23 June 2020,
No. 21 dated 26 February 2021,
No. 156 dated 22 July 2022,
No. 19 dated 9 March 2023,
No. 103 dated 22 August 2023)

Pursuant to Articles 6, 7, 15, and 56 of the Law of Ukraine *On the National Bank of Ukraine*, for the purposes of developing the money, foreign currency, interest, and FX derivatives markets, the NBU Board hereby **resolves as follows**:

1. To approve the Regulation *On Money and Foreign Exchange Markets Contact Group* attached hereto.
2. The Open Market Operations Department (Serhii Ponomarenko) shall communicate to the banks of Ukraine the information on the adoption of this Resolution.
3. The Resolution shall enter into force on the day following its official publication.

Governor

Yakiv SMOLII

Ref. No. 40

Regulation On Money and Foreign Exchange Markets Contact Group

I. General Provisions

1. The Money and Foreign Exchange Markets Contact Group (hereinafter referred to as the “Contact Group”) shall be an advisory body established for sharing information and opinions between the National Bank of Ukraine (hereinafter referred to as the “NBU”) and market players on the current status and developments of the money market and foreign exchange market, as well as the markets of interest rate and foreign exchange derivatives (hereinafter referred to as the “Money and Foreign Exchange Markets”).

2. The Contact Group, performing its functions, shall be governed by this Regulation.

3. The main tasks of the Contact Group shall be studying and discussing the following issues:

1) current situation, structure, and framework of the Money and Foreign Exchange Markets operation

2) problems, threats, and obstacles to the Money and Foreign Exchange Markets development

3) defining the ways for the Money and Foreign Exchange Markets development and advancing their transactions

4) impact of Money and Foreign Exchange Markets on other segments of financial markets, and impact of other segments of financial markets, as well as global markets on Money and Foreign Exchange Markets

5) indicators (benchmarks) of money and foreign exchange markets and their use when conducting transactions on financial markets

6) best practices of the Money and Foreign Exchange Markets

7) development of the regulatory environment and its impact on the Money and Foreign Exchange Markets operations

8) the Money and Foreign Exchange Markets professional conduct codes and best practices

8¹) providing recommendations to the NBU on candidates to be included into the Money and Foreign Exchange Market Indicators Oversight Council as external members

9) other issues related to the Money and Foreign Exchange Markets development.

4. The Contact Group shall inform about their activities by publishing materials, summaries of discussions, and other information about its operation on the NBU's official website in the *Financial Markets* section on the webpage *Money and Foreign Exchange Markets Contact Group* (hereinafter referred to as the Contact Group webpage).

5. Results of studying and discussing the issues at the Contact Group meetings can be used by the NBU and banks when implementing their functions under laws in force and can be communicated to government authorities and other organizations.

II. Composition of the Contact Group

6. The Contact Group shall consist of the NBU's representatives pursuant to Section II paragraph 8 hereof as well as the experts nominated by Ukrainian banks.

7. The experts nominated by banks to participate in the Contact Group shall be reviewed annually.

The personal composition of the Contact Group shall be approved by the NBU Order.

8. The NBU Deputy Governor in charge of the market operations shall be the Chairperson the Contact Group. The Director of the Open Market Operations Department shall be the Deputy Chairperson of the Contact Group.

9. The NBU Office for Effective Regulation of the Money Market of the Open Market Operations Department (hereinafter referred to as the Secretariat) shall administrate the Contact Group operation.

The Head of the Office for Effective Regulation of Money Market of the Open Market Operations Department shall be the Secretary of the Contact Group.

10. The Contact Group meetings shall be chaired by the Chairperson of the Contact Group or the Deputy Chairperson in the absence of the Chairperson.

11. Top 25 banks in the overall bank rating based on the results of Q4 of the previous year shall have the right to nominate the experts to be included into the

Contact Group. The overall bank rating shall be calculated in accordance with the calculation formula for the overall bank rating provided in the annex hereto (attached).

The banks mentioned in Section II paragraph 11 indent one hereof, the qualifying holders of which are the individuals and/or legal entities of the Russian Federation and/or the Republic of Belarus, shall have no right to nominate the experts to the Contact Group.

The list of banks that have the right to nominate experts to be included in the Contact Group is published on the Contact Group webpage not later than on 25 January of the current year.

12. Banks included in the list, set forth in Section II paragraph 11 hereof, shall submit their nominations of experts to be included in the Contact Group to the Secretariat within the timeframe defined by the Chairperson of the Contact Group. Candidates nominated after expiry of the timeframe defined by the NBU shall not be considered.

Each bank shall have the right to nominate one expert only regardless of their employment at said bank. Experts nominated to be included in the Contact Group shall have the professional experience in the areas set forth in Section I paragraph 3 hereof, and must not be the citizens of the Russian Federation or the Republic of Belarus.

The NBU, should the need arise, shall have the right to request from banks information on their candidate (a short CV that contains information on the citizenship, education, job position, professional experience and other information that supports the candidate's level of expertise).

13. The Chairperson of the Contact Group shall have the right to turn down any candidate nominated to be included in the Contact Group if the nominated person does not meet the requirements of Section II paragraph 12 indent two hereof. The Secretariat shall communicate the decision to the bank that nominated the candidate. In this case, the bank shall have the right to nominate another candidate within the timeframe defined by the Secretariat.

14. The composition of the Contact Group is published on the Contact Group webpage.

The grounds for excluding an expert from the Contact Group may be as follows:

1) declaring the bank that nominated an expert to be included in the Contact Group insolvent or decision being taken to revoke the banking license and liquidate the bank

2) a change of the position held by the corresponding expert at the time of formation of the Contact Group. In such a case, the bank is entitled to nominate another expert, if no less than four months remain until the end of the current year. If the current year ends in less than four months, the bank shall not nominate another candidate.

III. Organizational Framework of the Contact Group Activity

15. The Contact Group shall perform its work through meetings that, as a rule, take place quarterly but at least twice a year. The schedule of the Contact Group's meetings is published on the Contact Group site.

Meetings of the Contact Group shall take place at the NBU premises.

The Chairperson of the Contact Group shall have the right to take a decision on convening a Contact Group meeting in the remote mode via audio and video means of communication.

The Contact Group meetings shall be legitimate if attended by more than half of its members.

16. The Chairperson of the Contact Group shall set the agenda based on the proposals from the Contact Group members and NBU structural units submitted to the Secretariat within the timeframe approved at a Contact Group meeting.

The Secretariat shall publish the meeting's agenda and materials to be addressed (if any) on the Contact Group site.

The procedure for considering issues shall be determined by the chair of the Contact Group at the meeting.

17. Representatives of the NBU structural units, representatives of other financial regulators, banking associations, other invited persons shall have the right to participate in the Contact Group meetings as observers and/or invited persons.

The members of the Contact Group shall submit to the secretary motions on inviting persons that could be useful for consideration of agenda items.

The Chairperson of the Contact Group shall take the decision on inviting persons or granting them permission to participate in a Contact Group meeting as observers.

18. Members of the Contact Group as well as invited persons can present the issues on the agenda of the Contact Group meeting.

19. The following results of the Contact Group meeting shall be published on the Contact Group webpage: the meeting's agenda, the addressed materials (if any), the summary of the Contact Group discussion on the relevant issues.

20. The results of the Contact Group meetings shall be finalized as the summary of the Contact Group discussion (hereinafter – the "Discussion Summary"). The document shall outline the contents of presentations from the Contact Group members and invited persons, as well as comments and remarks made during the discussions.

The Discussion Summary shall be approved under the tacit consent principle: it shall be approved if no proposals or remarks have been submitted before the deadline defined by the NBU.

The Discussion Summary text approved by the Contact Group members is published on the Contact Group webpage.

Serhii PONOMARENKO,
Director, Open Market Operations Department

APPROVED
Deputy Governor
National Bank of Ukraine

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_____ 2020