

# CABINET OF MINISTERS OF UKRAINE

## RESOLUTION

**dated January 31, 2001, #80**

**Kyiv**

### **On Domestic Government Bonds Issuance**

As amended and supplemented by resolutions of the Cabinet of Ministers of Ukraine  
dated November 29, 2002, #1829,  
dated July 12, 2005, #567,  
dated March 15, 2006, #317,  
dated August 1, 2007, #990,  
dated 28 September 2011, # 1011,  
dated 12 December 2011, # 1280,  
dated 12 March 2012, # 233,  
dated 21 March 2012, # 234

According to the Budget Code of Ukraine, Laws of Ukraine on Securities and Stock Market and on National Depository System and Specifics of Electronic Circulation of Securities in Ukraine, the Cabinet of Ministers of Ukraine **HEREBY RESOLVES**:

(the introductory part as amended in accordance with  
the Resolutions of the Cabinet of Ministers of Ukraine  
of September 28, 2011, No. 1011, and of March 21, 2012, No.234)

1. To issue annually, within the limits of government debt threshold established by the law for the relevant year, the domestic government bonds, in particular: short-term bonds with maturities of up to one year (hereinafter referred to as short-term government bonds), short-term bonds denominated in foreign currency with maturities of up to one year (hereinafter referred to as “short-term government bonds denominated in foreign currency), medium-term bonds with maturities of one to five years (hereinafter referred to as medium-term government bonds), short-term or medium-term bonds denominated in foreign currency with maturities of up to one year and from one year to five years, respectively (hereinafter referred to as short-term or medium-term government bonds denominated in foreign currency), puttable medium-term bonds denominated in foreign currency with maturities from one to five years (hereinafter referred to as puttable medium-term government bonds denominated in foreign currency), puttable long-term bonds with maturities of over five years (hereinafter referred to as puttable long-term government bonds), long-term depreciation bonds with maturities of over five years (hereinafter referred to as long-term depreciation government bonds), long-term bonds with maturities of over five years (hereinafter referred to as long-term government bonds), indexed medium-term bonds with maturities from one to five years (hereinafter referred to as indexed medium-term government bonds), indexed long-term bonds with maturities of over five years (hereinafter referred to as indexed long-term government bonds).

(item 1 as amended by resolutions of  
the Cabinet of Ministers of Ukraine dated 11/29/2002, #1829,  
dated 07/12/2005, #567,  
dated 03/15/2006, #317  
dated 09/28/2011, #1011,  
dated 12/12/2011, #1280.  
dated 21/03/2012, #234)

2. To approve the key terms and conditions of issuance and procedure for the placement of short-term and medium-term government bonds, key terms and conditions of issuance and procedure for the placement of short-term government bonds denominated in foreign currency, key terms and conditions of issuance and procedure for the placement of short-term or medium term government bonds denominated in foreign currency, key terms and conditions of issuance and procedure for the placement of puttable medium-term

government bonds denominated in foreign currency, key terms and conditions of issuance and procedure for the placement of puttable long-term government bonds, long-term depreciation government bonds, and key terms and conditions of issuance and procedure for the placement of long-term government bonds, key terms and conditions of issuance and the procedure for the placement of indexed medium-term and long-term government bonds (attached).

(item 2 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 11/29/2002, #1829, dated 07/12/2005, #567, dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 12/12/2011, #1280. dated 21/03/2012, #234)

### 3. For the Ministry of Finance:

to act as an issuer and place short-term government bonds, medium-term government bonds, short-term government bonds denominated in foreign currency, medium-term government bonds denominated in foreign currency, puttable medium-term government bonds denominated in foreign currency, indexed medium-term and long-term government bonds, long-term government bonds, puttable long-term government bonds and long-term depreciation government bonds in accordance with the key terms and conditions and procedure approved by this Resolution;

(the second paragraph of item 3 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 12/12/2011, #1280. dated 21/03/2012, #234)

to determine the time of issuance and amounts issued of short-term government bonds, medium-term government bonds, short-term government bonds denominated in foreign currency, medium-term government bonds denominated in foreign currency, puttable medium-term government bonds denominated in foreign currency, indexed medium-term and long-term government bonds, long-term government bonds, puttable long-term government bonds and long-term depreciation government bonds;

(the third paragraph of item 3 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 12/12/2011, #1280. dated 21/03/2012, #234)

to specify the terms and conditions of circulation and interest rate (selling price) of short-term government bonds, medium-term government bonds, short-term government bonds denominated in foreign currency, medium-term government bonds denominated in foreign currency, puttable medium-term government bonds denominated in foreign currency, indexed medium-term and long-term government bonds, long-term government bonds, puttable long-term government bonds and long-term depreciation government bonds;

(the fourth paragraph of item 3 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 12/12/2011, #1280. dated 21/03/2012, #234)

to stipulate annually in the Law of Ukraine on the State Budget of Ukraine for the relevant year the amount of funds required for servicing and redemption of short-term government bonds, medium-term government bonds, short-term government bonds denominated in foreign currency, medium-term government bonds

denominated in foreign currency, puttable medium-term government bonds denominated in foreign currency, indexed medium-term and long-term government bonds, long-term government bonds, puttable long-term government bonds and long-term depreciation government bonds;

(the fifth paragraph of item 3 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 12/12/2011, #1280. dated 21/03/2012, #234)

to guarantee, on behalf of the Cabinet of Ministers of Ukraine, the timely redemption and payment of income on the bonds issued according to this Resolution;

to resolve, in coordination with the National Bank, on the issuance, placement and redemption of short-term government bonds, medium-term government bonds, short-term government bonds denominated in foreign currency, medium-term government bonds denominated in foreign currency, puttable medium-term government bonds denominated in foreign currency, indexed medium-term and long-term government bonds, long-term government bonds, puttable long-term government bonds and long-term depreciation government bonds according to the specified key terms and conditions and procedure;

(the seventh paragraph of item 3 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 12/12/2011, #1280. dated 21/03/2012, #234)

to develop and approve the procedure for redemption of puttable long-term government bonds and puttable medium-term government bonds denominated in foreign currency;

(the eighth paragraph of item 3 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 21/03/2012, #234)

to develop and approve the procedure for early redemption of long-term government bonds.

4. To acknowledge that the National Bank is the general agent on servicing the issuance and redemption of short-term government bonds, medium-term government bonds, short-term government bonds denominated in foreign currency, short-term or medium-term government bonds denominated in foreign currency, puttable medium-term government bonds denominated in foreign currency, indexed medium-term and long-term government bonds, long-term government bonds, puttable long-term government bonds and long-term depreciation government bonds.

(item 4 as amended by resolutions of the Cabinet of Ministers of Ukraine dated 11/29/2002, #1829, dated 07/12/2005, #567, dated 03/15/2006, #317 dated 09/28/2011, #1011, dated 21/03/2012, #234)

**Prime Minister of Ukraine**

**V. YUSHCHENKO**

APPROVED  
by the Resolution of the Cabinet of Ministers of  
Ukraine  
dated January 31, 2001, #80

**KEY TERMS AND CONDITIONS**  
**of Issuance and Procedure for Placement of Short-Term Government Bonds**

1. The par value of one short-term government bond shall be UAH 1,000.
2. The yield rate on short-term government bonds shall be established in the amount of 0 (zero) percent.
3. Short-term government bonds shall be issued in the form of records in the relevant electronic accounts with the depository of the National Bank. For each short-term government bonds issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.
4. Short-term government bonds shall be sold to individuals and legal entities on a voluntary basis at a price below par. The income on a short-term government bond shall be the difference between its par value, which is refunded to the short-term government bond holder during the redemption, and the purchase price.
5. Transactions related to the placement of short-term government bonds shall be effected by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.
6. A short-term government bond in the form of an electronic record shall be deemed as purchased upon the registration of its purchaser according to the procedure established by the National Bank.
7. Right of possession of short-term government bonds shall be certified by the following:  
  
for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;  
  
for the depositors of clients of the National Bank depository, by the statements of their securities accounts certified by the signature of an official and sealed by a client of the National Bank depository.
8. Payments to redeem short-term government bonds shall be made via non-cash transfer by the following entities:  
  
for the clients of the National Bank depository, by the National Bank using the funds received from the State Treasury and based on the register maintained by the National Bank;  
  
for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository using the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.

APPROVED  
by the Resolution of the Cabinet of Ministers of  
Ukraine  
dated January 31, 2001, # 80

**KEY TERMS AND CONDITIONS**  
**of Issuance and Procedure for Placement of Medium-Term Government Bonds**

1. The par value of one medium-term government bond shall be UAH 1,000.
2. Medium-term government bonds shall be sold to individuals and legal entities on a voluntary basis.
3. Medium-term government bonds shall have coupons. The coupon period shall be three or six months (13 or 26 weeks). The duration of a coupon period shall be determined by the issuer at the time of the placement of such bonds.

(item 3 in the wording of the resolution of  
the Cabinet of Ministers of Ukraine dated 08/01/2007, # 990)

4. Annual yield rate on medium-term government bonds shall be estimated as a weighted average yield on competitive bids that are submitted for a primary auction and subject to acceptance based on a decision of the Ministry of Finance, taking into consideration the bond yield cap; competitive bids that exceed such cap shall not be met.

(item 4 as amended in accordance with the resolution of  
the Cabinet of Ministers of Ukraine dated 03/21/2012, # 234)

5. The size of a coupon payment on one medium-term government bond shall be calculated based on the following formula:

$$CP = \text{Par} \times (Y / 100) / k$$

(formula in the wording of the resolution of  
the Cabinet of Ministers of Ukraine dated 08/01/2007, # 990)

where CP is the size of a coupon payment on one medium-term government bond;

Par is the par value of one medium-term government bond;

Y is the annual yield rate on medium-term government bonds calculated according to the item 4;

k is the number of coupon periods in a year as decided by the issuer.

(item 5 is supplemented by a paragraph according to the resolution of  
the Cabinet of Ministers of Ukraine dated 08/01/2007, # 990)

6. During the primary placement of medium-term government bonds their selling price shall be calculated separately for every purchaser depending on the yield offered by every bid submitted to a primary auction and accepted based on a decision of the Ministry of Finance. The following formula shall be applied:

$$SP = \frac{Par}{(1 + (II / 100) / k)^{DM / DCP}} + \sum_{i=1}^{CN} \frac{CP}{(1 + (II / 100) / k)^{DDi / DCP}}$$

(formula in the wording of the resolution of  
the Cabinet of Ministers of Ukraine dated 08/01/2007, # 990)

where SP is the selling price of medium-term government bonds;

Par is the par value of one medium-term government bond;

CN is the number of income payments to be made on medium-term government bonds;

CP is the size of a coupon payment on one medium-term government bond calculated according to the item 5;

II is the annual income on medium-term government bonds expressed in percent and specified by a purchaser in his bid at the primary auction for medium-term government bonds;

DCP is the number of days in a coupon period;

DM is the number of days from the date of selling medium-term government bonds to the maturity date;

DDi is the number of days from the date of selling medium-term government bonds to the i-th coupon date;

k is the number of coupon periods in a year as decided by the issuer.

(item 6 is supplemented by paragraph ten according to the resolution of the Cabinet of Ministers of Ukraine dated 08/01/2007, # 990, therefore, paragraph ten shall be regarded as paragraph eleven)

Calculations shall be made based on the actual number of days in a coupon period.

(paragraph eleven of item 6 as amended by the resolution of the Cabinet of Ministers of Ukraine 08/01/2007, # 990)

7. Medium-term government bonds shall be issued in the form of records in electronic accounts with the depository of the National Bank. For each medium-term government bonds issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.

8. Transactions related to the placement of medium-term government bonds shall be effected by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.

9. A medium-term government bond in the form of an electronic record shall be deemed as purchased upon the registration of its purchaser according to the procedure established by the National Bank.

10. Right of possession of medium-term government bonds shall be certified by the following:

for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;

for the depositors of clients of the National Bank depository, by the statements of their securities accounts certified by the signature of an official and sealed by a client of the National Bank depository.

11. Payments to redeem medium-term government bonds and interest payments thereon shall be made via non-cash transfer by the following entities:

for the clients of the National Bank depository, by the National Bank using the funds received from the State Treasury and based on the register maintained by the National Bank;

for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository using the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.

APPROVED  
by the Resolution of the Cabinet of Ministers of  
Ukraine  
dated November 29, 2002, # 1829

**KEY TERMS AND CONDITIONS**  
**of Issuance and Procedure for Placement of Long-Term Government Bonds with Floating Rates**

Key terms and conditions have ceased to be in effect

(the resolution is supplemented by the key terms and conditions according to the resolution of the Cabinet of Ministers of Ukraine dated 11/29/2002, # 1829, the key terms and conditions ceased to be in effect according to the resolution of the Cabinet of Ministers of Ukraine dated 07/12/2005, # 567)

APPROVED  
by the Resolution of the Cabinet of Ministers of  
Ukraine  
dated November 29, 2002, # 1829

**KEY TERMS AND CONDITIONS**  
**of Issuance and Procedure for Placement of Puttable Long-Term Government Bonds**

1. The par value of one puttable long-term government bond shall be UAH 1,000.
2. Puttable long-term government bonds shall be sold to individuals and legal entities on a voluntary basis.
3. Puttable long-term government bonds shall have coupons. The coupon period shall be three months.
4. Annual yield rate on puttable long-term government bonds shall be estimated as a weighted average yield on competitive bids that are submitted for a primary auction and subject to acceptance based on a decision of the Ministry of Finance.
5. The size of a coupon payment on one puttable long-term government bond shall be calculated based on the following formula:

$$CP = \text{Par} \times (Y / 100) / 4,$$

where CP is the size of a coupon payment on one puttable long-term government bond;

Par is the par value of one puttable long-term government bond;

Y is the annual yield rate on puttable long-term government bonds calculated according to the item 4 of these Key terms and conditions.

6. During the primary placement of puttable long-term government bonds their selling price shall be calculated separately for every purchaser depending on the yield offered by every bid submitted to a primary auction and accepted based on a decision of the Ministry of Finance. The following formula shall be applied:

$$SP = \frac{\text{Par}}{(1 + (II / 100) / 4)^{DM / DCP}} + \sum_{i=1}^{CN} \frac{CP}{(1 + (II / 100) / 4)^{DDi / DCP}}$$

where SP is the selling price of puttable long-term government bonds;

Par is the par value of one puttable long-term government bond;

CN is the number of income payments to be made on puttable long-term government bonds;

CP is the size of a coupon payment on one puttable long-term government bond calculated according to the item 5 of these Key terms and conditions;

II is the annual income on puttable long-term government bonds expressed in percent and specified by a purchaser in his bid at the primary auction for puttable long-term government bonds;

DCP is the number of days in a coupon period;

DM is the number of days from the date of selling puttable long-term government bonds to the maturity date;

DDi is the number of days from the date of selling puttable long-term government bonds to the i-th coupon date.

Calculations shall be made based on the actual number of days in a coupon period.

(paragraph of item 6 as amended by the resolution of the  
Cabinet of Ministers dated 08/01/2007, # 990)

7. Puttable long-term government bonds may be presented by their holders to be redeemed early and unconditionally redeemed by the issuer upon making of five coupon payments on puttable long-term government bonds. The early redemption shall be made on the date of coupon payment on puttable long-term government bonds. The procedure for early redemption shall be established by the Ministry of Finance.

8. Puttable long-term government bonds shall be issued in the form of records in electronic accounts with the depository of the National Bank. For each puttable long-term government bonds issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.

9. Transactions related to the placement of puttable long-term government bonds shall be effected by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.

10. A puttable long-term government bond in the form of an electronic record shall be deemed as purchased upon the registration of its purchaser according to the procedure established by the National Bank.

11. Right of possession of puttable long-term government bonds shall be certified by the following:

for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;

for the depositors of clients of the National Bank depository, by the statements of their securities accounts certified by the signature of an official and sealed by a client of the National Bank depository.

12. Payments to redeem puttable long-term government bonds and interest payments thereon shall be made via non-cash transfer by the following entities:

for the clients of the National Bank depository, by the National Bank using the funds received from the State Treasury and based on the register maintained by the National Bank;

for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository using the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.

(the resolution is supplemented with key terms and conditions according to the  
resolution of the Cabinet of Ministers of Ukraine dated 11/29/2002, # 1829)

APPROVED  
by the Resolution of the Cabinet of Ministers of  
Ukraine  
dated November 29, 2002, # 1829

**KEY TERMS AND CONDITIONS  
of Issuance and Procedure for Placement of Long-Term Depreciation Government Bonds**

1. The par value of one long-term depreciation government bond shall be UAH 1,000.
2. Long-term depreciation government bonds shall be sold to individuals and legal entities on a voluntary basis.
3. Long-term depreciation government bonds shall have coupons. The coupon period shall be three months.
4. Annual yield rate on long-term depreciation government bonds shall be estimated as a weighted average yield on competitive bids that are submitted for a primary auction and subject to acceptance based on a decision of the Ministry of Finance, taking into consideration the bond yield cap; competitive bids that exceed such cap shall not be met.

(item 4 as amended in accordance with the resolution of  
the Cabinet of Ministers of Ukraine dated 03/21/2012, # 234)

5. The size of the  $i$ -th coupon payment on one long-term depreciation government bond shall be calculated based on the following formula:

$$CP_i = Par_i \times (Y / 100) / 4,$$

where  $CP_i$  is the size of the  $i$ -th coupon payment on one long-term depreciation government bond;

$Par_i$  is the residual value of one long-term depreciation government bond on the date of the  $i$ -th coupon payment;

$Y$  is the annual yield rate on long-term depreciation government bonds calculated according to the item 4 of these Key terms and conditions.

6. During the primary placement of long-term depreciation government bonds their selling price shall be calculated separately for every purchaser depending on the yield offered by every bid submitted to a primary auction and accepted based on a decision of the Ministry of Finance. The following formula shall be applied:

$$SP = \sum_{i=1}^{CN} \frac{Par / (CN - 6)}{(1 + (II / 100) / 4)^{DM_i / DCP}} + \sum_{i=1}^{CN} \frac{CP_i}{(1 + (II / 100) / 4)^{DD_i / DCP}}$$

where  $SP$  is the selling price of long-term depreciation government bonds;

$Par$  is the par value of one long-term depreciation government bond;

$CN$  is the number of income payments to be made on long-term depreciation government bonds;

$CP_i$  is the size of the  $i$ -th coupon payment on one long-term depreciation government bond calculated according to the item 5 of these Key terms and conditions;

$II$  is the annual income on long-term depreciation government bonds expressed in percent and specified by a purchaser in his bid at the primary auction for long-term depreciation government bonds;

$DCP$  is the number of days in a coupon period;

$DM_i$  is the number of days from the date of selling long-term depreciation government bonds to the date of redeeming part of their par value effected on the date of the  $i$ -th coupon payment;

$DD_i$  is the number of days from the date of selling long-term depreciation government bonds to the  $i$ -th coupon date.

Calculations shall be made based on the actual number of days in a coupon period.

(paragraph of item 6 as amended by the resolution of the  
Cabinet of Ministers dated 08/01/2007, # 990)

7. Redemption of the par value of a long-term depreciation bond shall be made following eighteen months of its circulation in equal parts when making coupon payments.

8. Long-term depreciation government bonds shall be issued in the form of records in electronic accounts with the depository of the National Bank. For each long-term depreciation government bonds issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.

9. Transactions related to the placement of long-term depreciation government bonds shall be effected by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.

10. A long-term depreciation government bond in the form of an electronic record shall be deemed as purchased upon the registration of its purchaser according to the procedure established by the National Bank.

11. Right of possession of long-term depreciation government bonds shall be certified by the following:

for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;

for the depositors of clients of the National Bank depository, by the statements of their securities accounts certified by the signature of an official and sealed by a client of the National Bank depository.

12. Payments to redeem long-term depreciation government bonds and interest payments thereon shall be made via non-cash transfer by the following entities:

for the clients of the National Bank depository, by the National Bank using the funds received from the State Treasury and based on the register maintained by the National Bank;

for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository using the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.

(the resolution is supplemented with key terms and conditions according to the  
resolution of the Cabinet of Ministers of Ukraine dated 11/29/2002, # 1829)

APPROVED  
by the Resolution of the Cabinet of Ministers of  
Ukraine dated March 15, 2006, # 317

### **KEY TERMS AND CONDITIONS of Issuance and Procedure for Placement of Long-Term Government Bonds**

1. The par value of one long-term government bond shall be UAH 1,000.
2. Long-term government bonds shall be sold to individuals and legal entities on a voluntary basis.
3. Long-term government bonds shall have coupons. The coupon period shall be six months.

4. Annual yield rate on long-term government bonds shall be estimated as a weighted average yield on competitive bids that are submitted for a primary auction and subject to acceptance based on a decision of the Ministry of Finance, taking into consideration the bond yield cap; competitive bids that exceed such cap shall not be met.

(item 4 as amended in accordance with the resolution of the Cabinet of Ministers of Ukraine dated 03/21/2012, # 234)

5. The size of a coupon payment on one long-term government bond shall be calculated based on the following formula:

$$CP = Par \times (Y / 100) / 2,$$

where CP the size of a coupon payment on one long-term government bond;

Par is the par value of one long-term government bond;

Y is the annual yield rate on long-term government bonds calculated according to the item 4 of these Key terms and conditions.

6. During the primary placement of long-term government bonds their selling price shall be calculated separately for every purchaser depending on the yield offered by every bid submitted to a primary auction and accepted based on a decision of the Ministry of Finance. The following formula shall be applied:

$$SP = \frac{Par}{(1 + (II / 100) / 2)^{DM / DCP}} + \sum_{i=1}^{CN} \frac{CP}{(1 + (II / 100) / 2)^{DD_i / DCP}}$$

where SP is the selling price of long-term government bonds;

Par is the par value of one long-term government bond;

CN is the number of income payments to be made on long-term government bonds;

CP is the size of a coupon payment on one long-term government bond calculated according to the item 5 of these Key terms and conditions;

II is the annual income on long-term government bonds expressed in percent and specified by a purchaser in his bid at the primary auction for long-term government bonds;

DCP is the number of days in a coupon period;

DM is the number of days from the date of selling long-term government bonds to the maturity date;

DD<sub>i</sub> is the number of days from the date of selling long-term government bonds to the i-th coupon date.

Calculations shall be made based on the actual number of days in a coupon period.

(paragraph of item 6 as amended by the resolution of the Cabinet of Ministers dated 08/01/2007, # 990)

7. When placing long-term government bonds, the issue may set the date for their possible early redemption. Holders of such bond issue may present their bonds for early redemption on a specified date and the issuer shall redeem them unconditionally.

Early redemption of long-term government bonds shall be made only on the date specified by the issuer during the primary placement of long-term government bonds. Set as an early redemption date may be only one of the dates for coupon payment on long-term government bonds. Early redemption shall be made together with making a coupon payment on long-term government bonds.

The procedure for the early redemption shall be established by the Ministry of Finance.

8. Long-term government bonds shall be issued in the form of records in electronic accounts with the depository of the National Bank. For each long-term government bonds issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.

9. Transactions related to the placement of long-term government bonds shall be effected by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.

10. A long-term government bond in the form of an electronic record shall be deemed as purchased upon the registration of its purchaser according to the procedure established by the National Bank.

11. Right of possession of long-term government bonds shall be certified by the following:

for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;

for the depositors of clients of the National Bank depository, by the statements of their securities accounts certified by the signature of an official and sealed by a client of the National Bank depository.

12. Payments to redeem long-term government bonds and interest payments thereon shall be made via non-cash transfer by the following entities:

for the clients of the National Bank depository, by the National Bank using the funds received from the State Treasury and based on the register maintained by the National Bank;

for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository using the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.

(the resolution is supplemented with key terms and conditions according to the resolution of the Cabinet of Ministers of Ukraine dated 03/15/2006, # 317)

**KEY TERMS AND CONDITIONS**  
**of Issuance and Procedure for Placement of Indexed Medium-Term and Long-Term Government Bonds**

1. The par value of one indexed medium-term or long-term government bond shall be UAH 1,000.
2. One indexed medium-term or long-term government bond shall be redeemed at the indexed value calculated in accordance with item 15 of these Key Terms and conditions but not lower than its par value.
3. The par value of an indexed medium-term or long-term government bond shall be indexed at maturity in accordance with changes in the weighted average UAH to USD exchange rate (for \$100, with the result rounded to two decimal places) in the interbank market for the calendar month that precedes the month of primary placement and maturity. The above exchange rate shall be published by the National Bank on its official website.
4. The Ministry of Finance shall agree issue amounts of indexed medium-term and long-term government bonds with the National Bank in each case of their primary placement.
5. Indexed medium-term or long-term government bonds shall be sold to individuals and legal entities on a voluntary basis.
6. Indexed medium-term or long-term government bonds shall have coupons. The coupon period shall be six months.
7. Annual yield rate on indexed medium-term or long-term government bonds shall be calculated as a weighted average yield on competitive bids that are submitted for a primary auction and subject to acceptance based on a decision of the Ministry of Finance, taking into consideration the bond yield cap; competitive bids that exceed such cap shall not be met.

(item 4 as amended in accordance with the resolution of  
the Cabinet of Ministers of Ukraine dated 03/21/2012, # 234)

8. The size of a coupon payment on one indexed medium-term or long-term government bond shall be calculated based on the following formula:

$$CP = \text{Par} \times (Y / 100) / k$$

where CP is the size of a coupon payment on one indexed medium-term or long-term government bond;

Par is the par value of one indexed medium-term or long-term government bond;

Y is the annual yield rate on an indexed medium-term or long-term government bond calculated according to the item 7 hereof;

9. During the primary placement of indexed medium-term or long-term government bonds their selling price shall be calculated separately for every purchaser depending on the yield offered by every bid submitted to a

primary auction and accepted based on a decision of the Ministry of Finance. The following formula shall be applied:

$$SP = \frac{Par}{(1 + (II / 100) / 2)^{DM / DCP}} + \sum_{i=1}^{CN} \frac{CP}{(1 + (II / 100) / 2)^{DDi / DCP}}$$

where SP is the selling price of indexed medium-term or long-term government bonds;

Par is the par value of one indexed medium-term or long-term government bond;

CN is the number of income payments to be made on indexed medium-term or long-term government bonds;

CP is the size of a coupon payment on one indexed medium-term or long-term government bond calculated according to item 8 hereof;

II is the annual income on indexed medium-term or long-term government bonds expressed in percent and specified by a purchaser in his bid at the primary auction for medium-term government bonds;

DCP is the number of days in a coupon period;

DM is the number of days from the date of selling indexed medium-term or long-term government bonds to the maturity date;

DDi is the number of days from the date of selling indexed medium-term or long-term government bonds to the i-th coupon date;

Calculations shall be made based on the actual number of days in a coupon period.

10. The Ministry of Finance at any time may set the date for possible early redemption of indexed medium-term or long-term government bonds. Holders of such bonds may present their bonds for early redemption on the date specified by the issuer and the issuer shall redeem them unconditionally.

Early redemption of indexed medium-term or long-term government bonds shall be made only on the date specified by the Ministry of Finance. Set as an early redemption date may be only one of the dates for coupon payment on indexed medium-term or long-term government bonds. Early redemption shall be made together with making a coupon payment on indexed medium-term or long-term government bonds.

The procedure for the early redemption shall be established by the Ministry of Finance.

11. Indexed medium-term or long-term government bonds shall be issued in the form of records in electronic accounts with the depository of the National Bank. For each medium-term or medium-term or long-term government bonds issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.

12. Transactions related to the placement of indexed medium-term or long-term government bonds shall be effected by the National Bank through primary dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank as agreed with the Ministry of Finance.

13. Indexed medium-term or long-term government bond in the form of an electronic record shall be deemed as purchased upon the registration of its purchaser according to the procedure established by the National Bank

14. Right of possession of indexed medium-term or long-term government bonds shall be certified for:

the clients of the National Bank depository, by the statements of their securities accounts issued by the National Bank depository;

the depositors of clients of the National Bank depository, by the statements of their securities accounts certified by the signature of an official and sealed by a client of the National Bank depository.

15. The amount subject to redemption under one indexed medium-term or long-term government bond is calculated by the following formula:

$$RA = \max \left( \text{Par}, \text{Par} \times \frac{\text{WAHDR}_1}{\text{WAHDR}_0} \right),$$

where RA is the redemption amount of one indexed medium-term or long-term government bond;

Par is the par value of one indexed medium-term or long-term government bond;

WAHDR<sub>0</sub> is the weighted average UAH US dollar rate (based on 100 USD with rounding to two decimal places) on the interbank market for the calendar month which precedes the month in which primary placement of indexed medium-term or long-term government bonds is made;

WAHDR<sub>1</sub> is the weighted average UAH US dollar rate (based on 100 USD with rounding to two decimal places) on the interbank market for the calendar month which precedes the month in which redemption of indexed medium-term or long-term government bonds is made.

16. Payments to redeem indexed medium-term or long-term government bonds and interest payments thereon shall be made via non-cash transfer:

to the clients of the National Bank depository, by the National Bank within the funds received from the State Treasury and based on the register maintained by the National Bank;

to the depositors of the clients of the National Bank depository, by the clients of the National Bank depository within the funds received from the National Bank and based on registers of holders' accounts with the clients of the National Bank depository. Payments to the individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so."

(These Key Terms and conditions are added to this resolution in accordance with the resolution of the Cabinet of Ministers of Ukraine of September 28, 2011, No. 1011)

KEY TERMS AND CONDITIONS  
of Issuance and Placement of Short-Term Government Bonds Denominated in Foreign Currency

1. The par value of one short-term government bond denominated in foreign currency shall be USD 1,000.
2. The yield rate on short-term government bonds denominated in foreign currency shall be established in the amount of 0 (zero) percent.
3. Short-term government bonds denominated in foreign shall be issued in a book-entry form in the relevant electronic accounts with the depository of the National Bank. For each issue of short-term government bonds denominated in foreign currency there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.
4. Short-term government bonds denominated in foreign currency shall be sold to individuals and legal entities on a voluntary basis at a price below par. The income on a short-term government bond denominated in foreign currency shall be the difference between its par value, which is refunded to a holder of the short-term government bond denominated in foreign currency during the redemption, and the purchase price set by the decision of the ministry of Finance, taking into consideration the bond yield cap; competitive bids that exceed such cap shall not be met.

(item 4 as amended in accordance with the resolution of the  
Cabinet of Ministers of Ukraine dated March 21, 2012, No.234)

5. Transactions related to the placement of short-term government bonds denominated in foreign currency shall be effected by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.

6. Settlement based on the results of placement of short-term government bonds denominated in foreign currency shall be effected in the currency of issuance. Settlement of trades with them on the secondary market shall be effected solely in the national currency.

7. A short-term government bond denominated in foreign currency in a book-entry form shall be deemed as purchased upon the registration of its buyer according to the procedure established by the National Bank.

8. The title to short-term government bond denominated in foreign currency shall be certified by the following:

for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;

for the depositors of clients of the National Bank depository, by their securities account statements certified by the signature of an official and sealed with a stamp of a client of the National Bank depository.

9. Payments to redeem short-term government bonds denominated in foreign currency shall be made via non-cash transfer by the following entities:

for the clients of the National Bank depository, by the National Bank using the funds received from the State Treasury and based on the register maintained by the National Bank depository;

for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository within the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.

(These Key Terms and conditions are added to this resolution in accordance  
with the resolution of the Cabinet of Ministers of

APPROVED  
By Resolution of the Cabinet of  
Ministers of Ukraine  
dated December 12, 2011, # 1280

KEY TERMS AND CONDITIONS  
of Issuance and Procedure for Placement of Short-Term or Medium-Term Government Bonds Denominated  
in Foreign Currency

1. The par value of one short-term or medium-term government bond denominated in foreign currency shall be USD 1,000, \$1,000 or €1,000 (the type of foreign currency shall be determined by the issuer at the time of placement).

(item 1 as amended in accordance with the resolution of the  
Cabinet of Ministers of Ukraine dated March 12, 2012, No.233)

2. Short-term or medium-term government bonds denominated in foreign currency shall be sold to individuals and legal entities on a voluntary basis.

3. Short-term or medium-term government bonds denominated in foreign currency shall have coupons. The coupon period shall be three or six months (13 or 26 weeks). The duration of a coupon period shall be determined by the issuer at the time of the placement of such bonds.

4. Annual yield rate on short-term or medium-term government bonds denominated in foreign currency shall be estimated as a weighted average yield on competitive bids that are submitted for a primary auction and subject to acceptance based on a decision of the Ministry of Finance, taking into consideration the bond yield cap; competitive bids that exceed such cap shall not be met.

(item 4 as amended in accordance with the resolution of the  
Cabinet of Ministers of Ukraine dated March 21, 2012, No.234)

5. The size of a coupon payment on one short-term or medium-term government bond denominated in foreign currency shall be calculated based on the following formula:

$$CP = \text{Par} \times (Y / 100) / k$$

where CP is the size of a coupon payment on one short-term or medium-term government bond denominated in foreign currency;

Par is the par value of one short-term or medium-term government bond denominated in foreign currency;

Y is the annual yield rate on short-term or medium-term government bonds denominated in foreign currency calculated according to clause 4 of these key terms and conditions;

k is the number of coupon periods in a year (for the short-term bonds it is the determined period of maturity) as decided by the issuer.

6. During the primary placement of short-term or medium-term government bonds denominated in foreign currency their selling price shall be calculated separately for every buyer depending on the yield offered by every bid submitted to a primary auction and accepted based on a decision of the Ministry of Finance. The following formula shall be applied:

$$SP = \frac{\text{Par}}{(1 + (Y / 100) / k)^{DM / DCP}} + \sum_{i=1}^{CN} \frac{CP}{(1 + (Y / 100) / k)^{DDi / DCP}}$$

where SP is the selling price of short-term or medium-term government bonds denominated in foreign currency;

Par is the par value of one short-term or medium-term government bond denominated in foreign currency;

CN is the number of income payments to be made on short-term or medium-term government bonds denominated in foreign currency;

CP is the size of a coupon payment on one short-term or medium-term government bond denominated in foreign currency calculated according to clause 5 of the key terms and conditions;

II is the annual income on short-term or medium-term government bonds denominated in foreign currency expressed as percentage and specified by a buyer in his bid at the primary auction for medium-term government bonds denominated in foreign currency;

DCP is the number of days in a coupon period;

DM is the number of days from the date of selling short-term or medium-term government bonds denominated in foreign currency to their maturity date;

DDi is the number of days from the date of selling short-term or medium-term government bonds denominated in foreign currency to the i-th coupon date;

k is the number of coupon periods in a year (for the short-term bonds it is the determined period of maturity ) as decided by the issuer.

Calculations shall be made based on the actual number of days in a coupon period.

7. Short-term or medium-term government bonds denominated in foreign currency shall be issued in a book-entry form in the electronic accounts with the depository of the National Bank. For each medium-term government bonds denominated in foreign currency issue there shall be a global certificate drawn up. The global certificate shall be kept with the depository of the National Bank.

8. Transactions related to the placement of short-term and medium-term government bonds denominated in foreign currency shall be performed by the National Bank through brokers and/or dealers which are custodians and clients of the National Bank depository (hereinafter referred to as clients of the National Bank depository) according to the procedure established by the National Bank in coordination with the Ministry of Finance.

9. Settlements based on the results of placement of short-term or medium-term government bonds denominated in foreign currency, payment of coupon on them and their redemption shall be effected in the currency of issuance.

Settlements of trades with short-term and medium-term government bonds denominated in foreign currency on the secondary market shall be effected solely in the national currency.

10. A short-term or a medium-term government bond denominated in foreign currency in a book-entry form shall be deemed as purchased upon the registration of its buyer according to the procedure established by the National Bank.

11. The title to short-term or medium-term government bonds denominated in foreign currency shall be certified by the following:

for the clients of the National Bank depository, by securities account statements issued by the National Bank depository;

for the depositors of clients of the National Bank depository, by their securities account statements certified by the signature of an official and sealed with a stamp of a client of the National Bank depository.

12. Payments to redeem short-term or medium-term government bonds denominated in foreign currency and interest payments thereon shall be made via non-cash transfer by the following entities:

for the clients of the National Bank depository, by the National Bank within the funds received from the State Treasury and based on the register maintained by the National Bank depository;

for the legal entities and individuals which are depositors of the clients of the National Bank depository, by the clients of the National Bank depository within the funds received from the National Bank and based on registers of account holders with the clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be effected in cash, if they wish so."

(These Key Terms and conditions are added to this resolution in accordance with the resolution of the Cabinet of Ministers of Ukraine of December 12, 2011, No. 1280)

APPROVED

by Resolution of the Cabinet of Ministers of Ukraine of March 21, 2012, No. 234

#### KEY TERMS AND CONDITIONS

of Issuance and Procedure for the Placement of Puttable Medium-Term Government Bonds Denominated in Foreign Currency

1. The par value of one puttable medium-term government bond denominated in foreign currency shall be \$1,000 or €1,000 (the type of foreign currency shall be determined by the issuer at the time of placement).

2. Puttable medium-term government bonds denominated in foreign currency are sold to individuals and legal entities on a voluntary basis.

3. Puttable medium-term government bonds denominated in foreign currency shall have coupons. A coupon period shall be six month.

4. An annual rate of return on puttable medium-term government bonds denominated in foreign currency shall be calculated as weighted average yield in competitive bids that are submitted to the primary placement auction for such bonds and are to be met as decided by the Ministry of Finance based on the bond yield cap set by the Ministry; competitive bids whose yield exceed such cap shall not be met.

5. The amount of the coupon payment per one puttable medium-term government bond denominated in foreign currency shall be calculated according to the formula:

$$CP = \text{Par} \times (Y / 100) / 2,$$

where CP — coupon payment per one puttable medium-term government bond denominated in foreign currency;

Par — par value of one puttable medium-term government bond denominated in foreign currency;

Y — annual yield rate on puttable medium-term government bonds denominated in foreign currency that is calculated in accordance with Item 4 of these Key Terms and Conditions.

6. At the time of the primary placement of puttable medium-term government bonds denominated in foreign currency, their selling price, depending on the yield proposed by the buyer, shall be calculated separately for each buyer and for each bid submitted to the primary placement auction for such bonds and met as decided by the Ministry of Finance, according to the formula:

$$SP = \frac{\text{Par}}{(1 + (II / 100) / 2)^{\frac{DM}{DCP}}} + \sum_{i=1}^{CN} \frac{CP}{(1 + (II / 100) / 2)^{\frac{DD_i}{DCP}}},$$

where SP — price of puttable medium-term government bonds denominated in foreign currency;

Par — par value of one puttable medium-term government bond denominated in foreign currency;

CN — number of payments to be made from puttable medium-term government bonds denominated in foreign currency;

CP — coupon payment from one puttable medium-term government bond denominated in foreign currency that is calculated in accordance with Item 5 of these Key Terms and Conditions;

II — annual income on puttable medium-term government bonds denominated in foreign currency that is stated in a bid for the primary placement auction for medium-term government bonds denominated in foreign currency;

DCP — number of days in the coupon period;

DM — number of days from the sale date of puttable medium-term government bonds denominated in foreign currency to their maturity date;

DDi — number of days from the sale date of puttable medium-term government bonds denominated in foreign currency to the date of the i-th coupon payment.

Calculations shall be made based on the actual number of days in the coupon period.

7. Puttable medium-term government bonds denominated in foreign currency may be presented by owners for early redemption at any time and must be redeemed by the issuer unconditionally. The procedure and pricing conditions of early redemption shall be determined by the Ministry of Finance.

8. Puttable medium-term government bonds denominated in foreign currency shall be issued in the form of records in respective electronic accounts with the depository of the National Bank. Each issue of medium-term government bonds denominated in foreign currency shall be attested by a global certificate. The global certificate shall be kept in the depository of the National Bank.

9. Transactions related to the placement of puttable medium-term government bonds denominated in foreign currency shall be conducted by the National Bank through brokers and/or dealers that are custodians and clients of the National Bank depository (hereinafter “clients of the National Bank depository”) in the manner prescribed by the National Bank and endorsed by the Ministry of Finance.

10. Settlements as a result of the placement of puttable medium-term government bonds denominated in foreign currency, payments of coupon income from them and their redemption shall be made in the currency of the issue.

Settlements for secondary market transactions in puttable medium-term government bonds denominated in foreign currency shall be made exclusively in the national currency.

11. A puttable medium-term government bond denominated in foreign currency in the form of an electronic record shall be deemed purchased from the moment of its registration with the buyer in the manner prescribed by the National Bank.

12. Proof of title to puttable medium-term government bonds denominated in foreign currency shall be:

Securities account statements issued by the National Bank depository – for clients of the National Bank depository,;

Securities account statements attested with the signature of the official and the stamp - for depositors of clients of the National Bank depository.

13. Maturity and income payments from puttable medium-term government bonds denominated in foreign currency shall be made electronically:

To clients of the National Bank depository – by the National Bank within the amount of funds received from the Treasury, in accordance with the register maintained by the National Bank depository;

To legal entities and individuals that are depositors of the National Bank depository – by clients of the National Bank depository within the amount of funds received from the National Bank, in accordance with registers of owners’ accounts with clients of the National Bank depository. Payments to individuals who are depositors of the clients of the National Bank depository may be made in cash, if they wish so.”.

(These Key Terms and Conditions are added to this resolution in accordance with the resolution of the Cabinet of Ministers of Ukraine of March 21, 2012, No. 234)

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