The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia Proposes Restructuring Ukraine's Debt

By The Moscow Times

November 17, 2015



"We haven't just agreed to restructure the Ukrainian debt, we have offered better conditions than the International Monetary Fund was asking of us," Putin said.

Russia has proposed that Ukraine pay down its eurobond debt in $1 billion installments starting in 2016, President Vladimir Putin said, speaking from the sidelines of the G20 summit.

Previously, Russia had insisted that Ukraine pay their $3 billion eurobond debt in full by the end of 2015.

"We haven't just agreed to restructure the Ukrainian debt, we have offered better conditions than the International Monetary Fund was asking of us," Putin said, the TASS news agency reported Monday. The IMF had asked that Russia postpone repayment until 2016.

Putin said he had discussed Ukraine's debt repayment with U.S. President Barack Obama and

IMF President Christine Lagarde on Monday, Russian media reported.

Russia asked that the United States or “one of the reputable international financial institutions” guarantee the loan, the RBC news agency reported Tuesday.

The proposal, as generous as it seems, may prove problematic. The terms of Ukraine's bonds stipulate that the Russian government cannot be awarded better financial terms than have been given to other investors, RBC reported.

The proposed restructuring of Ukrainian debt would have a neutral impact on the sovereign rating of Russia, Deputy Finance Minister Maxim Oreshkin said Tuesday, TASS reported. The purchase of eurobonds from Ukraine was paid for by the Russian National Wealth Fund, therefore Russia's 2016 borrowing program would be unaffected, Oreshkin said.

Original url:
https://www.themoscowtimes.com/2015/11/17/russia-proposes-restructuring-ukraines-debt-a50801