

Latest Regulations – May 2021

This section contains a summary of the main regulations implemented by the BCRA during the month related to the activity of financial institutions. They are referenced by the date of publication.¹

Communication "["A" 7278](#) – May 6, 2021 | As from July 1, 2021, the benchmark rates shall be the following: Secured Overnight Financing Rate (SOFR), Sterling Overnight Index Average (SONIA), Tokyo Overnight Average Rate (TONAR), Swiss Average Rate Overnight (SARON) and Euro Short-Term Rate (ESTER) both for lending and borrowing transactions, in US dollars, British pound sterling, Japanese yens, Swiss francs or Euros, respectively. Therefore, the London Interbank Offered Rate (LIBOR) is replaced by such rates.

Communication "["A" 7285](#) – May 13, 2021 | Unpaid installments of financial aids granted under the Productive Recovery Program II (REPRO II) must be included at the end of the lifetime of the loan, taking into consideration compensatory interest only. This restructuring does not entail a refinancing due to the client's inability to pay for the purposes of the regulations on Debtor Classification.

Communication "["A" 7290](#) – May 27, 2021 | As from June 1, 2021, the compliance is admitted with domestic sovereign bonds in pesos –not dollar-linked– of all and any regulatory liquidity requirement that may be satisfied with LELIQs. The bonds applied to this compliance are excluded from the limits set forth in the regulations on Lending to the non-financial public sector.²

Communication "["A" 7291](#) – May 27, 2021 | For the purposes of assuring that the requirements satisfied with sovereign bonds (except for Treasury Bonds at a 22% Fixed Rate with maturity date in May 2022) shall be liquid at all times, a specific mechanism of "Immediate Liquidity" was established according to which banks, if required, may sell such bonds to the BCRA (upon satisfaction of certain conditions).³

¹ For an overview of the changes implemented by the BCRA in recent months, see the previous editions of the [Report on Banks](#) and of the [Financial Stability Report](#).

² See Press Release of [05/27/2021](#).

³ Idem footnote 2.