

Latest Regulations – September 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" 7366 – September 16, 2021 | The cancellation of \$5 banknotes was extended until July 1, 2022, and as from such date they shall be no longer legal tender.

Communication "A" 7369 – September 23, 2021 | A new 2021/2022 quota was established for the "Credit Line for Productive Investment of MSMEs" (LFIP), which must be maintained from October 1, 2021 to March 31, 2022 by Group A institutions or by institutions operating as financial agents of the Public Sector, with conditions similar to those established for the previous quota and with the following adjustments: a) it will be possible to calculate financing for the acquisition of utility vehicles, other vehicles and aircrafts only when they are of national origin and their use is related to the requestor's activity; and b) it is established that working capital financing and discount of deferred payment checks and of other documents may be calculated (at 120% of their value), to the extent that the funds are allocated to activities falling within the categories of "hospitality and restaurants" and "entertainment, cultural and sport" services, and they are subject to a grace period of at least 6 months.

Communication "A" 7373 – September 30, 2021 | Lending to MSMEs engaged in agricultural activities, registered with the Agricultural Simplified Reporting System (SISA) in the category "Producer", may be eligible for the "Credit Line for Productive Investment of MSMEs" (LFIP), subject to certain requirements.² This line comprises two types of financing: i) credits for Investment in Capital Assets at a 30% annual rate with an average term of 2 years, and ii) credits for Working Capital at a 35% annual rate. MSMEs engaged in cattle breeding activities may access to both types of lines, subject to certain conditions. The investment projects may be related to plantation of pastures (including rural labor, seeds and fertilizers, among other aspects); agricultural machinery for cattle breeding production; purchase of breeding male (studs) and female animals; and improvements of site infrastructure such as fencing, watering points, immobilizers, corrals, pens and chutes, irrigation, among other. In turn, the working capital line may be applied to purchase of animals for fattening purposes; inputs and services related to breeding technologies; and the inputs and services related to implementation of animal health plans.

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 Press Releases of [09/30/2021](#) and [10/02/2021](#).