



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

COMMUNICATION "A" 6869

January 16, 2020

TO FINANCIAL INSTITUTIONS,
TO FOREIGN EXCHANGE
HOUSES:

Ref: Circular
CAMEX 1 - 829

Consolidated Text on Foreign Trade and
Exchange. Adjustments.

This is to inform that the BCRA has adopted the following resolution:

"- Paragraph 3.4. of the Consolidated Text on Foreign Trade and Exchange will be replaced with the following:

"3.4. Payments of profits and dividends.

Financial Institutions may enable clients to access the forex market to transfer profits and dividends to non-resident shareholders abroad without the BCRA's prior consent as long as the following requirements are fulfilled.

- 3.4.1. Profits and dividends are presented in closed and audited balance sheets.
- 3.4.2. The total amount of profits and dividends paid to non-resident shareholders, including the requested payment, shall not exceed the amount in pesos established in the shareholders' meeting.

The financial institution shall keep an affidavit signed by the legal representative or attorney-in-fact duly empowered to act on behalf of the resident company.

- 3.4.3. Total transfers carried out in the forex market since January 17, 2020, including the payment requested, shall not exceed 30% of new foreign direct investments in resident companies transferred and settled in the forex market thereafter.

To this end, the institution shall keep the certification—issued by that which settled the foreign currency—evidencing that no certifications were issued for an amount in excess of 30% of the foreign exchange settled in the forex market.

- 3.4.4. Clients access the forex market at least thirty running days after the last inflow of contributions have been settled as set forth in paragraph 3.4.3.



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- 3.4.5. The client shall submit documentation to show that contributions have been turned into capital. In the absence of such documentation, the client shall submit a copy of the resolution recorded with the Public Registry of Commerce—in accordance with the legal requirements—, stating that eligible capital contributions will be turned into capital. Documentation in support of the capital conversion shall be submitted within 365 running days as from the beginning of the registration.
- 3.4.6. The institution shall verify, if applicable, that the client has recorded the transactions involved in the latest “Survey of External Assets and Liabilities”.

Clients falling outside the scope of this paragraph shall require BCRA's prior consent to access the forex market for the transfer of foreign currency abroad.”

Likewise, we will distribute the copies to be included in the regulations in force in replacement of the former ones. In this sense, it is worth noting that amendments are posted—highlighted in bold and strikethrough—in Spanish on the Central Bank's website at www.bcra.gob.ar/Sistema Financiero/ MARCO LEGAL Y NORMATIVO/ Ordenamientos y resúmenes/ Textos ordenados de normativa general.

Faithfully yours,

CENTRAL BANK OF ARGENTINA

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ANNEX



B.C.R.A.	FOREIGN TRADE AND EXCHANGE
Section 3. Specific provisions for outflows in the forex market.	

3.4. Payments of profits and dividends.

Financial Institutions may enable clients to access the forex market to transfer profits and dividends to non-resident shareholders abroad without the BCRA's prior consent as long as the following requirements are fulfilled.

- 3.4.1. Profits and dividends are presented in closed and audited balance sheets.
- 3.4.2. The total amount of profits and dividends paid to non-resident shareholders, including the requested payment, shall not exceed the amount in pesos established in the shareholders' meeting.

The financial institution shall keep an affidavit signed by the legal representative or attorney-in-fact duly empowered to act on behalf of the resident company.

- 3.4.3. Total transfers carried out in the forex market since January 17, 2020, including the payment requested, shall not exceed 30% of new foreign direct investments in resident companies transferred and settled in the forex market thereafter.

To this end, the institution shall keep the certification—issued by that which settled the foreign currency—evidencing that no certifications were issued for an amount in excess of 30% of the foreign exchange settled in the forex market.

- 3.4.4. Clients access the forex market at least thirty running days after the last inflow of contributions have been settled as set forth in paragraph 3.4.3.
- 3.4.5. The client shall submit documentation to show that contributions have been turned into capital. In the absence of such documentation, the client shall submit a copy of the resolution recorded with the Public Registry of Commerce—in accordance with the legal requirements—, stating that eligible capital contributions will be turned into capital. Documentation in support of the capital conversion shall be submitted within 365 running days as from the beginning of the registration.
- 3.4.6. The institution shall verify, if applicable, that the client has recorded the transactions involved in the latest "Survey of External Assets and Liabilities".

Clients which fall outside the scope of this paragraph shall require BCRA's prior consent to access the forex market to transfer foreign currency abroad.



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3.5. Payments of principal and interest on financial debts held abroad.

Financial Institutions may allow clients to access the forex market for the payment of principal and interest on financial debts held abroad, provided that the following requirements are fulfilled.

3.5.1. Disbursements as from September 1, 2019 were transferred and settled in the forex market.

This requirement shall not apply where financial debts incurred as from September 1, 2019 are refinanced entailing no disbursements under the applicable regulation, provided that such refinancing due date does not take place before the original debt maturity.

3.5.2. The transaction shall be recorded, if applicable, in the latest "Survey of External Assets and Liabilities".

3.5.3. The access to the forex market of residents, including institutions, for the early payment of debt (principal and interest) earlier than 3 business days prior to their maturity shall require the BCRA's prior consent except that all the following requirements are fulfilled.

3.5.3.1. The early payment and the inflows of a new financial debt are settled hereinafter on a simultaneous basis.

3.5.3.2. The new debt average life is longer than the average life of the remaining debt paid in advance.

3.5.3.3. The maturity of the first principal refinancing payment does not fall due earlier than the first upcoming due date of the principal payment of the debt paid.

3.5.3.4. The amount of the new debt principal payment is not larger than that of the first upcoming principal payment of the debt paid.

3.6. Payments of debt securities with a public record in the country and denominated in foreign currency and liabilities in foreign currency among residents.

Clients shall be banned from accessing the forex market, where payments are made among residents for debts and other liabilities in foreign currency taken on as from September 1, 2019, except for the following:

3.6.1. Financing payments in foreign currency granted by local financial institutions, including those made in foreign currency using credit cards.



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- 3.6.2. Liabilities in foreign currency to residents arranged through public records or deeds as from August 30, 2019.
- 3.6.3. New issues of debt securities for refinancing included in paragraph 3.6.2 entailing an extension of the liabilities average life.
- 3.6.4. Residents' issuances of debt securities with a public record in Argentina as from November 29, 2019 subscribed in foreign currency, principal and interest being payable in foreign currency in Argentina, as long as all inflows have already been settled in the forex market.
- 3.7. Residents' payments in foreign currency made through trusts incorporated in Argentina in order to ensure payment.
- Institutions may grant access to the forex market to trusts incorporated by residents in Argentina in order to ensure payment of principal and interest of their debts, provided that debtors have had access the forex market to make the payment on their own account in compliance with applicable regulations.
- 3.8. Resident natural persons' purchase of foreign currency for the build-up of foreign assets, transfers for family support, and derivative transactions.
- Institutions may grant forex market access to resident natural persons for the build-up of foreign assets (heading codes A01, A02, A03, A04, A06, A07, A08, A09 and A14), for transfers for family support, and for derivative transactions (heading code A05)—except as provided for in paragraph 4.4.2.—, without the BCRA's prior consent and as long as the following requirements are fulfilled.
- 3.8.1. Payments do not exceed USD200 (two hundred US dollars) in the ensemble of institutions and all the headings aforementioned in the calendar month.
- 3.8.2. Transactions involve debits from clients' accounts held at local financial institutions; transactions up to USD100 (one hundred US dollars) may be conducted in local currency cash in the ensemble of institutions in the calendar month.
- 3.8.3. The client has not exceeded the abovementioned limits in the previous calendar month.



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- 3.8.4. The client is not included in the list that the BCRA regularly forwards to financial institutions. It comprises taxpayers' identification codes (*Clave Única de Identificación Tributaria, CUIT*) of the natural persons that have reached the limits on purchases over the month or have exceeded them in the previous calendar month.

Natural persons may request the Superintendence of Financial and Foreign Exchange Institutions (SEFyC) to rectify or update the data included in such list. For this purpose, they shall send a letter to a financial institution so that it may forward it to the SEFyC. The letter shall explain the reasons for the request and shall include supporting evidence for the rectification or update.

- 3.8.5. If the transaction involves heading codes for the client's build-up of foreign assets, the institution licensed to sell foreign currency shall deliver banknotes or travelers' checks in such denomination or else deposit them in the client's foreign currency accounts held at a local financial institution or abroad, as appropriate.
- 3.8.6. The institution has an affidavit from the client stating that the foreign currency purchased will not be used to purchase securities in the secondary market within 5 working days of the foreign exchange transaction's settlement date.

- 3.9. Purchase of foreign currency by natural persons to be used simultaneously for purchasing real estate with mortgage loans in Argentina.

Institutions may enable resident natural persons to conduct exchange transactions in the forex market for purchasing, at the same time, real estate intended to be used as a family's only residence in Argentina, as long as:

- 3.9.1. The funds originate from mortgage loans granted by local financial institutions. In the event that funds originate from subsidies under the Procrear Program, they may also be used to purchase foreign currency in the forex market within the framework of the program.
- 3.9.2. Co-debtors, if applicable, access the market individually on behalf of each natural person up to the corresponding apportioned amount.
- 3.9.3. All co-debtors access the market up to the amount of the loan or USD100,000 (one hundred thousand US dollars), whichever is less.
- 3.9.4. Each co-debtor signs an affidavit undertaking to refrain from accessing the forex market for the build-up of foreign assets, transfers for family support, and derivatives transactions, as set out in paragraph 3.8., as applicable, for a period necessary to complete the amount purchased under this scheme.



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- 3.9.5. All funds used for purchases, both in local and foreign currency, are simultaneously deposited or transferred to an account in a financial institution on behalf of the seller of the property.
- 3.9.6. For the requirement set out in paragraph 3.9.5. to be deemed as fulfilled, the funds shall be allocated to purchases prior to September 19, 2019 or shall amount up to USD1,000 (one thousand US dollars) for booking a property.

3.10. Purchase of foreign currency by other residents—excluding institutions—for the build-up of foreign assets and derivative transactions.

Access to the forex market by legal persons other than institutions licensed to trade in the forex market, local governments, Mutual Funds, Trusts and other vehicles incorporated in the country shall have the BCRA's prior consent for the build-up of foreign assets (heading codes A01, A02, A03, A04, A06, A07, A08, A09 and A14) and for derivative transactions (heading code A05), except as provided for in paragraph 4.4.2.

3.11. Other purchases of foreign currency made by residents for specific uses.

3.11.1. Institutions may enable residents with debts held abroad or trusts, which are incorporated in Argentina for ensuring the payment of principal and interest, to purchase foreign currency in the forex market for the sake of posting guarantees in the amounts required under debt contracts, provided that the following requirements are fulfilled:

- 3.11.1.1. The amounts to be paid involve commercial debts for imports of goods and/or services incurred with a foreign financial institution or official export credit agency or financial debts held abroad with unrelated creditors. The access to the forex market for repayment is allowed under the applicable regulation, and the contracts provide that funds are to be deposited in guarantee accounts for future servicing of debts held abroad.
- 3.11.1.2. Funds are deposited in accounts held at local financial institutions under the conditions laid down in the contracts. The posting of guarantees in accounts held at foreign financial institutions shall only be allowed where contracts entered into prior to August 31, 2019 provide for no other option.
- 3.11.1.3. Accumulated guarantees in foreign currency, which may be used for the repayment of debt service, do not exceed the amount to be paid at the next scheduled debt service maturity.



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3.11.1.4. Daily market access does not exceed 20% of the amount provided for in the previous paragraph.

3.11.1.5. The institution has verified the debtor's documentation on the debt held abroad, and has all necessary elements to ensure that market access conforms to the conditions laid down in these provisions.

Any foreign currency funds other than those used to repay debt servicing must be settled in the forex market within 5 business days of maturity.

3.11.2. Institutions may enable residents to access the forex market for paying principal and interest on financial debts held abroad (pursuant to paragraph 3.5.) or local debt securities (pursuant to paragraph 3.6.) prior to the term set out by the regulations in each case, provided that the following requirements are fulfilled:

3.11.2.1. The currency purchased is deposited in their accounts in foreign currency held at local financial institutions.

3.11.2.2. Access to the market occurs no earlier than 5 business days in advance of the deadline specified in each case.

3.11.2.3. Daily access to the market does not exceed 20% of the amount to be repaid upon maturity.

3.11.2.4. The institution has verified that the debt to be repaid with foreign currency purchased in the forex market complies with the current foreign exchange regulation.

Any foreign currency funds other than those used to repay debt servicing must be settled in the forex market within 5 business days of maturity.

3.11.3. For the purpose of recording the transactions mentioned in paragraphs 3.11.1. and 3.11.2., the institution shall issue an exchange ticket under the heading "Deposits in foreign currency allocated for the payment of debt service". In addition, the institution shall issue—at the time of allocating the foreign currency purchased—a purchase exchange ticket under the same heading and a sale exchange ticket for the repayment of the debt service held abroad.

3.12. Purchase of foreign currency by non-residents.

Non-resident clients other than those mentioned in sub-paragraphs 3.12.1 to 3.12.4. of this paragraph shall require the BCRA's prior consent for purchasing foreign currency in the forex market.

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This requirement excludes transactions conducted by:

- 3.12.1. International organizations and institutions working as official export credit agencies.
- 3.12.2. Diplomatic and consular representatives, and diplomatic personnel commissioned in the country while performing their duties.
- 3.12.3. Local representative offices of Courts, Authorities or Agencies, Special Missions, Commissions or Bilateral Organizations established by International Treaties or Conventions, to which the Argentine Republic is a party, to the extent that said transfers are carried out while performing their duties.
- 3.12.4. Natural persons, who are beneficiaries of a retirement pay and/or pension plan paid by the Argentine Social Security Administration (ANSES), where they make transfers abroad for up to the amount paid by the latter in a calendar month and to the extent that the transfer is made to a bank account held by the beneficiary in the registered country of residence.

3.13. Reporting system for “advances on account of foreign exchange transactions”.

Institutions shall submit to the BCRA, at the end of each day and 2 working days in advance, any information on foreign exchange sales of their clients or on the transactions made by institutions themselves as clients, whenever they involve access to the forex market for a daily amount equal to or greater than USD2,000,000 (two million US dollars), for each of the 3 working days counted from the first day reported.

In other words, on T = 1 institutions will report those transactions made on T = 3, T = 4, and T = 5; on T = 2 they will report those made on T = 4, T = 5, and T = 6; and so on.

Clients shall inform licensed institutions in advance that they will conduct a forex transaction so that the latter may comply with the requirement set out above before enabling clients to access the forex market, provided that the remaining requirements in the regulations in force are also met.

On the transaction date, clients may choose any licensed institution to channel the transactions reported. In these cases, the institution shall keep a record from the reporting institution stating that the transaction was duly reported.

B.C.R.A.	ORIGIN OF THE PROVISIONS INCLUDED EN THE REGULATIONS ON "FOREIGN TRADE AND EXCHANGE"					
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CONSOLIDATED TEXT			ORIGINAL REGULATION				COMMENTS
Section	Paragraph	Sub-paragraph	Communication	Chapter/Annex	Paragraph	Sub-paragraph	
1.	1.1.		"A" 6244	I	1.2.		As per Communications "A" 6436 and 6844.
	1.2.		"A" 6244	I	1.1.		As per Communications "A" 6770 and 6844.
	1.3.		"A" 6244	I	1.3.		
	1.4.		"A" 6770		18.		
	1.5.		"A" 6244	I	1.6		
	1.6.		"A" 6244	I	1.7		
	1.7.		"A" 6244	I	1.8		
	1.8		"A" 6770		21.		
	1.9.		"A" 6244	I	2.2.		As per Communication "A" 6401.
2.	2.1.		"A" 6770		1., 2. and 3.		As per Communications "A" 6776, 6780, 6788 and 6805.
	2.2.		"A" 6770		4.		It includes regulatory construal.
	2.3.		"A" 6780		1.7		
	2.4.		"A" 6770		8.		It includes regulatory construal. As per Communication "A" 6776.
	2.5		"A" 6838		1.		
	2.6.		"A" 6814		4.		As per Communication "A" 6838.
	2.7.		"A" 6244	I	2.9.		
3.	3.1.		"A" 6770		12., 13. and 19.		As per Communications "A" 6815, 6818 and 6825.
	3.2.		"A" 6770		12. and 14.		As per Communications "A" 6776, 6780 and 6829.
	3.3.		"A" 6770		12. and 19.		
	3.4.		"A" 6770		10.		As per Communication "A" 6869.
	3.5.		"A" 6770		8., 11. and 19.		It includes regulatory construal. As per Communications "A" 6780, 6792 and 6814.
	3.6.		"A" 6770		9.		As per Communications "A" 6776, 6792 and 6838.
	3.7.		"A" 6780		1.6		As per Communications "A" 6792.
	3.8.		"A" 6770		6.		As per Communications "A" 6780, 6804, 6814 and 6815.
	3.9.		"A" 6787		1.		As per Communication "A" 6815.
	3.10.		"A" 6770		5.		As per Communications "A" 6780 and 6814.
	3.11.		"A" 6796		1. and 2.		As per Communications "A" 6814 and 6825.
	3.12.		"A" 6770		7.		As per Communications "A" 6776, 6815 and 6855.
	3.13.		"A" 6815		7. and 8.		

4.	4.1.		“A” 6664		2.10.		As per Communications “A” 6815 and 6823.
	4.2.		“A” 6244	I	2.5.		As per Communications “A” 6770, 6776, 6780, 6782 and 6799. It includes regulatory construal.
	4.3.		“A” 6244	I	2.3.		As per Communications “A” 6770 and 6788.
	4.4.		“A” 6770	I	5. and 6.		As per Communications “A” 6780 and 6814.
	4.5.		“A” 6799	I	1.		As per Communication “B” 11892.