

Regulations on Foreign Currency Availability for Foreign Investors

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Foreign direct investment (FDI) and long term foreign financing play a key role in terms of technology, modernization, and competitiveness in the economy, in particular, when it is aimed at improving export capacity.

In the current context, the BCRA manages the forex market with a view to making the balance of payments sustainable. Moreover, as foreign exchange stability conditions improve, regulations will be reviewed.

The measures adopted by the BCRA have contributed to improving the conditions to access the forex market for the repatriation of direct investments, and the transfer of profits and dividends.

Thus, **non-residents' investment repatriation**¹ is allowed where:

- it takes place two years, as a minimum, after the capital contribution has been transferred and settled in the forex market as from October, 2020;
- it takes place on the second year after the investment has been made within the framework of the **"Plan for the Promotion of the Argentine Natural Gas Production"**;
- **exporters of industrialized and extractive goods** achieved an increase in their external sales over 2021 vis-à-vis 2020—repatriation being subject to a percentage of the increase on the goods exported².

In addition, one year after the transfer of the capital contribution into the forex market, the regulation also authorizes FDI exporting companies to **use their exports to repatriate non-residents' direct investments**³ where:

- **exporters** raised financing and completed projects that increased the production of goods for export or for import substitution, or transport capacity for exports of goods and services by building infrastructure facilities at ports, airports and land terminals for international transportation; or
- the contribution has been transferred for an amount over USD100 million for activities under the **"Investment Promotion Regime for Exports"**, up to the amount of the foreign

¹Paragraph 3.13 of the [Regulations on Foreign Trade and Exchange](#).

²Paragraph 3.18 of the [Regulations on Foreign Trade and Exchange](#).

³Paragraph 7.9 of the [Regulations on Foreign Trade and Exchange](#).

currency proceeds from exports related to the project and to the gross aggregate of the foreign currency transferred⁴.

As regards the **transfer of profits and dividends**⁵, companies may access the forex market to make payments of up to 30% of the accumulated amount of direct investment contributions transferred into the forex market since January 2020.

Moreover, companies may access the forex market for the transfer of profits and dividends on investments under the **“Plan for the Promotion of the Argentine Natural Gas Production”**, as well as exporters of industrialized and extractive goods with foreign sale increases recorded in 2021. The conditions to access the market are comparable to those set out for the repatriation of non-residents' direct investments.

The collections on exports of goods may be directly used for the transfer of profits and dividends subject to the limits set forth in the **“Investment Promotion Regime for Exports”**.

⁴Paragraph 7.10 of the [Regulations on Foreign Trade and Exchange](#).

⁵Paragraph 3.4 of the [Regulations on Foreign Trade and Exchange](#).