

Fact Sheet ELANBiz:

Foreign Exchange Market Regulations

Prepared by ELANBIZ Trade Experts in Argentina, updated to 31 March 2020

General Regulation

Argentina has been facing an adverse macroeconomic situation, which was exacerbated in the last part of 2019. To respond to this situation, the National Administration and the Central Bank of Argentina (“BCRA”) issued in the last months several regulations on the access to the foreign exchange market. Some of these regulations were enacted during the last months of the former Administration (which left office in December 2019), while others were issued after the new Government of President Alberto Fernández took office on 10 December 2019.¹

Firstly, [Decree No. 609/2019](#), as amended by Decree [No. 91/2019](#), empowers the BCRA to (i) set forth the conditions and terms pursuant to which exporters of goods and services shall enter and settle the proceeds from exports (i.e. to convert –them from foreign currency into Argentine pesos) in the foreign exchange market; and (ii) regulate the cases in which the access to the foreign exchange market requires prior authorization from the BCRA.

In accordance with such delegation of powers, on 5 December 2019 the BCRA issued [Communication A 6844](#), which regulated different topics related to foreign exchange market access. Mainly, Communication A 6844 established the conditions and terms to (i) enter and settle the proceeds obtained from export operations of goods and services; (ii) enter and settle the proceeds obtained from external financial debts; (iii) pay for dividends to foreign shareholders; (iii) pay for debt capital

¹ These regulations are part of the different measures that have been adopted recently by the Argentine government with the objective of controlling the country's currency outflow, such as the tax of 30% (the so-called “impuesto PAIS”) on the purchase of foreign currency intended for savings, the purchase of goods and services abroad, or the purchase of tickets for traveling abroad, established by [Law No. 27,541](#). These measures are not covered by this infocard.

and interest on foreign loans; (iv) purchase foreign currencies; (v) make payments for import operations or for the purchase of foreign goods, etc.

On 16 January 2020, the BCRA issued [Communication A 6869](#) whereby it made several changes to the existing regulations on payments of dividends to foreign shareholders. Afterwards, between January and February 2020, the BCRA issued Communications [A 6883](#), [A 6903](#), [A 6908](#) and [A 6915](#) which made several amendments to Communication A 6844.

The most relevant issues covered by Communication A 6844 and its amendments are the following:

Access to the foreign exchange market

- (i) Foreign currency proceeds obtained from the exports of goods shall be entered and settled within specific terms. See the section “Exports of goods” below for detailed information.
- (ii) Foreign currency earnings from exports of services and sales of non-produced non-financial assets² shall be entered and settled to Argentine Pesos within 5 business days from the collection date.
- (iii) Foreign currency proceeds obtained from external financial debts and from interests of debt securities payable in foreign currency in Argentina shall also be entered and settled into Argentine Pesos.
- (iv) The foreign exchange settlement is not mandatory provided that the following conditions are met: (a) the amount entered is credited in a local foreign currency bank account within the legal term established to enter and settle foreign currency proceeds, (b) the foreign currency earnings are simultaneously destined to other operations allowed by the current regulations.

Regulations on foreign currency outflows

- (i) Access to the foreign exchange market in order to pay for the imports of goods is subject to specific procedures which are detailed in the section “Imports of goods”.
- (ii) Access to the foreign exchange market to pay for services provided by non-Argentine residents requires the authorization of the BCRA, except for: (a) credit card issuers regarding payments related to tourism, (b) local agents that collect funds corresponding to services provided to residents by non-residents, (c) reinsurance premiums abroad, and (d) transfers made by travel insurance companies for health services provided to their clients abroad.
- (iii) Prior authorization from the BCRA is also necessary to access the foreign exchange market in order to pay interests of debts for import financing.
- (iv) The payment of dividends to foreign shareholders is also subject to specific regulations. For more detailed information see the section “Payment of dividends for foreign

²This refers to intangible assets associated with property rights of air or electromagnetic space, professional athletes’ transfers, patents, internet domains, trademarks and logos, among others.



shareholders” below.

- (v) The payment of external financial debts may require prior authorization from the BCRA provided that specific requirements are met.
- (vi) Access to the foreign exchange market to pay debts and other obligations in foreign currency dated from 1 September 2019 on between residents is forbidden except for: (a) financing in foreign currency by local entities and (b) foreign currency obligations between residents documented with the intervention of a public notary, among others.
- (vii) No prior authorization is necessary for residents to obtain foreign currency to purchase external assets, send family remittances, and trade financial derivatives, provided that some requirements are met, such as: (a) that the amount of foreign currency purchased does not exceed USD 200 per month or USD 100 if the operation is in cash; and (b) that the buyer signs an affidavit stating that the foreign currency will not be used to buy security titles within 5 days after the purchase date. For non-residents, the limit is USD 100 per month, except for international organizations or diplomatic missions and their officials, among others. For legal entities other than those specifically authorized, prior authorization from the BCRA is required.
- (viii) Access to the foreign exchange market for the purchase of real estate located in Argentina is allowed, provided that some specific requirements are met. For instance: (i) the funds must be originated in loans granted by local institutions; (ii) the funds must be destined to buy a house that will be occupied permanently by the family of the purchaser, provided that the amount of the purchase does not exceed USD 100,000; and (iv) the funds must be credited to a bank account owned by the seller of the real estate.
- (ix) Financial entities shall inform the BCRA of any operations of more than USD 2 million made by their clients.

Exports of goods

- (i) Foreign currency obtained from exports made from 2 September 2019 on, shall be entered and settled in the foreign exchange market within the following time periods, counted as from the date of the “*cumplido de embarque*” (the document issued by the customs authority that certifies the exit of the exported goods from the Argentine Customs):
 - (a) 15 days for exports of goods classifiable under HS Codes 1001.19.00 (durum wheat, n.e.c.), 1001.99.00 (wheat and meslin, n.e.c.), 1003.90.10 (beer barley, n.e.c.), 1003.90.80 (grain barley and others), 1005.90.10 (corn grain, except “*pisingallo*” corn), 1007.90.00 (grain sorghum -graniferous- n.e.c.), 1201.90.00 (soy beans, even broken, n.e.c.), 1208.10.00 (soy bean flour), 1507.10.00 (crude soy oil, even degummed), 1507.90.19 (refined soy oil, n.e.c.), 1517.90.90 (margarine; mixtures or food preparations of animal or vegetable fats or oils, or fractions of different fats or oils of this chapter, except the fats and food oils and their fractions of heading 15.16., except those not containing soy), 2304.00.10 (flour and pellets extracted from



- soybean oil) and 2304.00.90 (solid waste extracted from soybean oil, n.e.c.).
- (b) 30 days for exports of goods classifiable under HS Code 27 (mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes, except HS Code 2716.00.00).
 - (c) 60 days for exports made to associated or connected counterparties of goods not included in (a) or (b), and for exports of goods classifiable under HS Code 26 (ores, slag and ash, except HS Codes 2601.11.00, 2603.00.90, 2607.00.00, 2608.00.10, 2613.90.90, 2616.10.00, 2616.90.00 and 2621.10.00) and 71 (natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coins, except HS Codes 7106.91.00, 7108.12.10 and 7112.99.00).
 - (d) 180 days any other goods.
 - (e) 365 days for export operations made through the “*Exporta Simple*” scheme (destined to facilitate exports for small businesses).
 - (f) Regardless of these maximum terms, any foreign currency that has been already received by the exporter shall be settled within 5 days.
- (ii) Any foreign currency obtained from export operations made before 2 September 2019, shall be settled within 5 days from its reception.
 - (iii) For those operations made from 2 September 2019 on, the BCRA has set a digital system called “*SECOEXPO*”, which is basically aimed at controlling that exporters comply with their obligation to settle the foreign currencies obtained from the export operations. For each export operation, exporters must appoint a control entity (financial entities or exchange houses which perform foreign trade) which must make a follow-up of the foreign currency entered and settled by the exporters as a result of their export operations. Such entities must determine the amount of foreign currency due to be entered and settled by the exporter and the applicable time period. They are also required to send reports to inform the BCRA about the compliance of exporters with this obligation.
 - (iv) Some export operations are not subject to the “*SECOEXPO*” control procedure, such as diplomatic franchises, export of samples, promotional material, baggage scheme, or donation of organs and human blood, among others.

Imports of goods

- (i) Imports with “*registro de ingreso aduanero*” (customs entry registration)³: Financial entities might grant access to the foreign exchange market to importers in order to pay for the imported goods, if they certify their compliance with different requirements, such as the following: (i) that they filed the import declarations; (ii) that they have a copy of the

³ Foreign exchange regulations consider that imports have a “*registro de ingreso aduanero*” when the import declarations were correctly filed before the Customs Authority.



import invoices and bills of lading; (iii) that the total payment does not outnumber the total invoiced; (iv) that the recipients of the payment are foreign suppliers or bank entities that financed the import operations; (v) that the sales of foreign currency have been debited from the local bank accounts of the clients through valid means of payment; (vi) that the payments to the foreign suppliers have not been made before the expiration of the invoice due dates. If any of these requirements is not met, a prior authorization from the BCRA will be necessary to access the foreign exchange market.

- (ii) Imports with no “*registro de ingreso aduanero*”⁴: Financial entities might grant access to the foreign exchange market to importers in order to pay for the imported goods, if they certify their compliance with different requirements. The regulation sets forth that the following are cases of payments made to foreign suppliers without the “*registro de ingreso aduanero*”: (i) anticipated payments (i.e., payments made before the delivery of the goods); (ii) documents against payment (*D/P*); (iii) payments for commercial debts; and (iv) payments for commercial guarantees issued by local entities. The access to the foreign exchange market for each of these four cases is subject to specific conditions. For instance, in case of anticipated payments, the financial entities must certify the compliance with different requirements, such as: (i) the filing of evidence that proves the existence of a purchase operation between the importer and a foreign supplier, for which it is required to make the payment prior to the delivery date; (ii) demonstrating that the recipient of the payment is a foreign supplier; (iii) proving that the sale of foreign currency has been debited from a local bank account of the client through a valid means of payment; (iv) signing of an affidavit whereby the importer undertakes the commitment to obtain the “*registro de ingreso aduanero*” within the appropriate period of time (270 days from the access to the foreign exchange market for capital goods⁵ and 90 days for any other goods).
- (iii) Imports mentioned in point (ii) made from 2 September 2019 on are subject to a control procedure called “*SEPAIMPO*”, which is similar to the control procedure for exports (*SECOEXPO*), according to which the importers shall appoint a financial entity to control their compliance with the current regulations.

Other relevant provisions

- (i) Cash withdrawals from abroad: the amount withdrawn cannot exceed USD 50 per operation and shall be debited from a local account in USD.
- (ii) Consumption abroad: the payments for consumptions abroad shall be debited from a local account in USD or AR\$.
- (iii) Financial entities require prior authorization by the BCRA to make foreign payments made by clients in operations associated to: (a) gambling and similar activities, (b) foreign

⁴ Pursuant to foreign exchange regulations, imports without a “*registro de ingreso aduanero*” are those with import declarations that are pending by the time of accessing the foreign exchange market.

⁵ According to [Decree No. 690/2002](#) and its complementary regulation.



exchange operations abroad, and (c) acquisition of crypto assets of any kind, among others.

Payment of dividends to foreign shareholders

Communication A 6844 provides that financial entities must request prior authorization from the BCRA before granting access to the foreign exchange market in order to pay for dividends and profits to foreign shareholders.

However, [Communication A 6869](#) –issued by the BCRA at a later date– establishes that financial entities might exceptionally grant access to the foreign exchange market to remit profits and dividends abroad without prior authorization, provided that the following requirements are met: (i) the profits and dividends must be included in certified and audited financial statements; (ii) the total amount paid to foreign shareholders should not be more than the total amount in AR\$ approved in the Shareholders Meeting; (iii) the total amount of profits and dividends transferred shall not exceed 30% of new foreign direct investments that companies shall perform in their local affiliates as of 17 January 2020 (in this sense, this resolution allows to transfer abroad 3 out of every 10 USD invested in the country); (iv) the payment is approved in the corporate documents, (v) the access to the foreign exchange market required for dividends payment purposes must occur at least 30 calendar days after the settlement into Argentine Pesos of the last capital contribution. If these requirements are not met, then authorization from the BCRA shall be needed in order to remit profits and dividends abroad.

Useful Links

[Government's web site](#)

[Ministry of Economy](#)

[Central Bank of Argentina](#)



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