

October 5, 2020

**FOREIGN EXCHANGE MARKET**

On October 1, 2020, the Argentine Central Bank (*Banco Central de la República Argentina*) (“BCRA”) issued *Comunicado “A” 7123*, which introduced new regulations with respect to the application of export receivables, the repatriation of foreign direct investments, the payment of imports and the repayment of financial debts to affiliates.

**1. Application of export receivables to projects aimed to expand export capacity**

The BCRA allowed the application of export receivables to the repayment of financings and to the repatriation of direct investments provided that the relevant funds are used for projects that will (i) increase the production of goods to be mostly placed in foreign markets and/or substitute imports of goods; and/or (ii) improve exports infrastructure with the construction of ports, airports and land terminals of international transportation.

Financings must have an average life of no less than one year and must have been repatriated and exchanged into Pesos through the foreign exchange market as from October 2, 2020. Repatriations will only be allowed after the date of completion and implementation of the relevant project and at least one year after the inflow of the capital contribution through the foreign exchange market.

**2. Repatriation of foreign direct investments**

The BCRA’s prior approval will not be required to access the foreign exchange market for the repatriation of direct investments in companies that do not control local financial entities, provided that the capital contribution has been repatriated and exchanged into Pesos through the foreign exchange market and the repatriation takes place at least two years after the relevant inflow.

**3. Payment of imports**

The BCRA established that the amount for which importers may access the foreign exchange market to repay debts under imports (see our [legal update](#), available only in Spanish) will be increased by the equivalent of 50% of the amounts that, as from October 2, 2020, the importer repatriates and exchanges into Pesos through the foreign exchange market for advances or foreign pre-export financings with a minimum 180-day term.

**4. Repayment of foreign financial debts with affiliates**

The BCRA’s prior approval will not be required to access the foreign exchange market for the repayment at maturity of financial indebtedness with non-resident affiliates, provided that the funds have been repatriated and exchanged into Pesos through the foreign exchange market as from October 2, 2020 and the indebtedness has a minimum two-year average life.

Should you need further information, do not hesitate to contact [Fermín Caride](#), [María Victoria Funes](#), [María Victoria Tuculet](#) and/or [Lucía Carro](#).

The information of this newsletter is not to be construed as an opinion or legal advice and does not imply a comprehensive coverage of all the matters referred herein.

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