

NEW FOREIGN EXCHANGE MEASURES

Through Decree 609/2019 and Communication “A” 6770/2019 issued by the Central Bank of Argentina (“BCRA”), both of them published in the Official Gazette on 1st September 2019, some modifications were introduced to the foreign exchange regime in connection with the access to the exchange market and the obligation to sell foreign currencies derived from export transactions, as a transitory measure until 31st December 2019.

In the first place, the obligation to enter and sell in the exchange market the foreign currencies incoming from the export of goods and services has been reinstated, establishing for that purpose the following terms, except in the case of collections (abroad or in Argentina) taking place before their due date, in which case the deadline to enter and sell the foreign currency is 5 business days after collection date:

- Export of goods with shipment permits made official as from 02/09/2019:
 - Transactions with related parties: 15 consecutive days
 - Export of oleaginous cereals, seeds and fruits, soy oil, soy flour, minerals, metalliferous, mineral fuel and automobile/vehicles, among other products: 15 consecutive days
 - Other exports: 180 consecutive days
- Export of goods made official before 02/09/2019, the collection of which is still pending at that date: 5 business days since collection date
- Export of services: 5 business days since collection date

The collection of exports can be applied to the cancellation of advance payments and loans for the pre-financing of exports without the prior authorization of the BCRA only in the following cases: (i) pre-financing and financing granted or guaranteed by local financial entities; (ii) pre-financing, advance payments and financing entered and sold in the exchange market and declared in the private external debt survey; or (iii) financial loans in force at 31/08/2019 foreseeing the payment of services through the application abroad of the cash flow obtained from exports.

Regarding the access to the foreign market for legal entities, mutual investment funds and trust funds resident in Argentina, the same will need the prior approval of the BCRA for the constitution of external assets and guarantees related to derivatives transactions. In the case of a human person, such transactions will require the prior approval of the BCRA only when exceeding the equivalent of USD 10.000.- monthly, in the set of entities authorized to operate with foreign exchange operations (this must be made with debit to a local account whenever the amount of the operation exceeds USD 1.000.-).

Furthermore, the following operations must also have the prior approval of the BCRA: (i) remittance of dividends and profits; (ii) pre-cancellation with more than 3 business days before the due date of principal and interest services corresponding to financial debts abroad; (iii) pre-cancellation of a debt due to import of goods and services; (iv) payment of debts due to the import of goods with related companies abroad (whenever exceeding the equivalent of USD 2.000.000.- monthly); and (v) payment of services with related companies abroad.

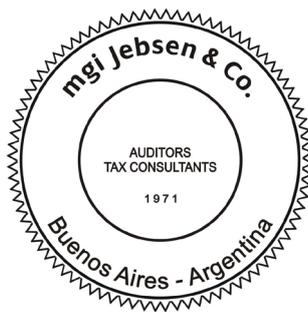
Regarding the payment of debts between residents in foreign currency, which have been incurred as from 01/09/2019, the same will have no access to the exchange market.

The new debts of a financial nature incurred abroad (paid as from 01/09/2019) must be entered and sold in the exchange market, since otherwise it won't be possible afterwards to have access to said market in order to obtain the currency necessary to pay the corresponding principal and interest.

Finally, for the purpose of having access to the exchange market for the payment of financial or commercial debts abroad, evidence must be shown that the respective operation/transaction has been declared in the last due filing of the “Survey of Foreign Assets and Liabilities”. In the case of payment of imports in advance, the incoming Customs clearance of the goods must be filed within 180 consecutive days after having had access to the foreign market and provide evidence that the payee of the funds is the supplier overseas.

Should you have any doubt regarding this issue, please contact us at (+5411) 4315-9304 or by email nicolasscalone@jebsen.com.ar

Sincerely



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