



Press Release

The Central Bank of the Republic of Argentina states that it has not made any new modifications to the current legislation which regulates the payment of public and private debt.

The BCRA has duly established a different treatment for the local and foreign notes for local financial and non financial residents as well as local governments.

The current legislation establishes that local borrowers of foreign notes have access to the Single Foreign Exchange Market SFEM to pay principal and interest on their debts. The laws and regulations are provided for under communication "A" 5265.

In addition, the Central Bank ratifies that there is no foreign exchange restriction whatsoever on the Federal Government to make payments of principal and interest on their bonds denominated in foreign currency, whether they be domestic or foreign in nature.

Communication "A" 5099 sets forth the requirements for the local government and private financial sector's notes to be considered foreign, which are detailed as follows: a) notes issued overseas under the regulations of the country of issuance; b) they be subject to foreign law; c) offered and subscribed mostly abroad. Therefore, the notes must comply with the regulations of the subscription country, and d) and be subscribed in total abroad.

As for the local Notes, in 2009 an exception to the general regulations under Communication "A" 4927 set forth the possibility of accessing SFEM to issue local notes to finance infrastructure projects in the country (nowadays provided for in point 5, Communication "A" 5265). These notes should meet certain requirements, among which, subscribe notes with currency abroad or banking debit on local accounts denominated in foreign currency.

The current legislation precludes the access to SFEM to pay other kinds of domestic notes. However, access is allowed to nonresidents to collect on local note services; provided that they prove that the funds introduced to the country to make an investment and a minimum term of residence.

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