

**DERIVATIVES AND REPO TRANSACTIONS UNDER THE PRODUCTIVE
FINANCING LAW**

On May 9, 2018, the National Congress passed the Productive Financing Law No. 27,440 (*Ley de Financiamiento Productivo*) (the “Law”), which, among other developments, incorporates specific regulations for derivatives and repurchase transactions (Repos), and has led Argentina to adopt netting legislation promoted by the International Swaps and Derivatives Association (ISDA).

Below are some of the main changes in the Argentine regulatory framework, as amended by the Law:

- Definitions of derivatives and Repo transactions are expressly provided.
- The underlying agreements under a derivatives or Repo transaction shall be subject to registration with the Argentine Securities and Exchange Commission (the “CNV”).
- The CNV will have authority to regulate the provisions on derivatives and Repo transactions established by the Law.
- Contractual provisions in financial derivatives setting forth early termination, settlement, netting and foreclosure will not be limited by (i) the Bankruptcy Law No. 24,522, (ii) the Financial Institutions Law No. 21,526 and (iii) the Charter of the Argentine Central Bank.
- Netting provisions and collateral agreements shall be enforceable (provided that certain conditions are met), even in insolvency scenarios.
- In the event a financial institution is suspended or is subject to reorganization by the Argentine Central Bank, the corresponding counterparty on the derivatives and/or Repo transaction may enforce its contractual rights, provided certain conditions are met.

If you have any question or doubt or require any additional information, do not hesitate to contact:

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