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TRANSFER OF DOLLARS FACILITATED FOR INVESTORS IN OIL AND GAS

Through Circular 6869, the Central Bank introduced changes in the regulation applicable to transfer dollars out of the country and benefited the hydrocarbon sector in the Neuquén Basin.

According to the communication of the national financial authority, banks will be able to allow companies access to the foreign exchange market to convert foreign currency abroad as profits and dividends to non-resident shareholders without the prior approval of the Central Bank.

The condition of the transfer is effective as of Friday, January 17, with the condition that it does not exceed 30% of the value of the new contributions of foreign direct investment in resident companies entered and liquidated through the exchange market.

The measure was received as “a breakthrough” by the businessmen who met with President Alberto Fernández on Thursday who announced that before the end of the regular session in Congress, the draft amendment will be sent to the hydrocarbons law. It was specified that it will not be a specific regulation for Vaca Muerta as it had been speculated in the beginning but for all the hydrocarbon activity.

The BCRA resolution and the president's announcement brought certainty to the sector.

The other two claims that the industry had transmitted to the national government were linked to the price of the hydrocarbon and the terms. In relation to the former, there were already certainties when the withholding export tax was reduced from 12 to 8 percent in the Solidarity Law that was passed in Congress in exchange for allowing royalties to be calculated after deducting that percentage. Since 8% the withholding is a ceiling, it is intended that a progression be established so as not to increase the internal cost of the hydrocarbon and, thus, be able to match it with that of the international price.

Source: *Vaca Muerta News*

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