

## Latest Regulations – March 2023

This section contains a summary of the main regulations implemented by the BCRA during the month related to the activity of financial institutions. They are referenced by the date of publication.<sup>1</sup>

**Communication "A" 7717 – March 9, 2023** | The BCRA amended the regulations on ["Minimum cash"](#) and financial institutions were permitted to comply with the minimum cash requirement in pesos with Argentine government securities in pesos (including CER-adjusted securities and dual currency yields and excluding dollar-linked securities) with a residual term from 300 to 730 calendar days at the time of underwriting, received in swap transactions established by the Federal Government. The monetary authority extended the maximum term of government securities admitted for compliance with minimum cash to 730 calendar days provided they are acquired through primary market underwriting as from March 9, 2023. The regulations on ["Cash transactions to be settled, forward transactions, repos, securities-guaranteed loans, other derivatives and mutual fund transactions"](#) were adjusted to establish that in order to determine the net position that financial institutions may maintain in Liquidity Bills (LELIQs) for a shorter term of issue and the joint positive net position of LELIQs for a longer term of issue and of Liquidity Notes (NOTALIQs), the deposits in pesos shall be taken into account, regardless of the sector to which the holders may belong to.

**Communication "A" 7719 – March 9, 2023** | The Central Bank established that as from April 1, 2023 to December 31, 2023, financial institutions having the authorization of the BCRA may distribute income in 6 equal, monthly and consecutive instalments for up to 40% of the applicable amount.

**Communication "A" 7720 – March 9, 2023** | The BCRA extended until September 30, 2023 the [Credit Line for Productive Investment \(LFIP\) of Micro, Small and Medium-Sized Enterprises \(MSMEs\)](#). The financial institutions subject to these regulations must keep an amount of the respective financing equal to 7.5% of their deposits of the non-financial private sector subject to fractional reserve scheme, calculated on the basis of the monthly average of daily balances corresponding to March 2023. In the case of financial institutions that do not belong to Group "A", the percentage to be applied shall be 25% of the estimated percentage. The Central Bank decided to discontinue the special treatments afforded to loans for human health service providers which fail to meet the requirement to be categorized as MSMEs and for lending allocated to activities within the services of "Hotels and restaurants" and "Entertainment, culture and sports". An extension up to December 31, 2023 was established for the minimum rate for loans in domestic currency to clients engaged in agricultural activities registered with the Agricultural Simplified Information System (SISA) in the category of "Producer" with stockpiling of their soybean production. An exemption for the application of this minimum rate was made for clients whose total amount of loans in the financial system does not exceed ARS 3 million –in pesos and in foreign currency–, and/or for clients who prove not to have a stockpile of their soybean production above 5% of their annual harvest capacity.

**Communication "A" 7726 – March 16, 2023** | The Central Bank increased the minimum interest rates of time deposits in pesos (a rate floor of 78% nominal annual percentage rate (APR) was set for 30-day deposits up to ARS10 million made by natural persons, whereas for other time deposits the rate floor was set at 69.5%). The coefficient that determines the early-payment fixed interest rate of UVA-denominated time deposits with early cancellation option was raised. These amendments are applicable to deposits received as from, and including, March 17, 2023.

---

<sup>1</sup> For an overview of the changes implemented by the BCRA in recent months, see the previous editions of the [Report on Banks](#) and of the [Financial Stability Report](#).