

Latest Regulations – March 2019

This section contains a summary of the main regulations implemented by the BCRA during the month, related to the business of financial intermediation. **They are referenced by the date of publication.**

Communication "A" 6661 – March 28, 2019 | The BCRA amended the regulations on "[Cash transactions to be settled and forward transactions, repos, securities-guaranteed loans, other derivatives and mutual investment funds](#)", and established that the daily net position recorded by financial institutions in BCRA's Liquidity Bills (LELIQs) may not exceed the higher of: (i) the Adjusted Stockholders' Equity (RPC) of the previous month and (ii) 100% of the monthly average of daily balances of total deposits in pesos –excluding those of the financial sector– plus the residual value of their Corporate Bonds in pesos –issued until February 8, 2019– during the current month. This regulation is in effect as from March 28, 2019.

Communication "A" 6662 – March 29, 2019 | The BCRA established that financial institutions may not record holdings of total loss absorbing capacity instruments (TLAC) issued by foreign banks rated as global systemically important banks (G-SIB), other than those taken into account as Adjusted Stockholders' Equity (RPC).

Communication "A" 6663 – March 29, 2019 | The BCRA amended the regulations on "[Cash transactions to be settled and forward transactions, repos, securities-guaranteed loans, other derivatives and mutual investment funds](#)", and established the conditions to be met by financial institutions to perform derivative transactions with commodities. These transactions may be performed in securities markets authorized by the National Securities Commission (CNV) or out of such markets –in which case the creation of initial margins will be assessed, and the daily compliance with variation margins will be provided for. Also, such transactions may be performed in regulated markets of member countries of the Organization for Economic Cooperation and Development (OECD) upon meeting certain conditions. The limit for these transactions is equal to 5% of the institution's Adjusted Stockholders' Equity (RPC). Besides, the BCRA included in the regulations on "[Minimum cash requirements for financial institutions](#)" the provisions for determination of capital requirements for market risk provided for by the Basel Committee on Banking Supervision in Basel III for this type of transactions. Finally, taking into consideration that derivatives are traded in foreign currency –or, otherwise, are closely related to such currency–, the Central Bank established that these transactions must be computed to determine the "[Net Global Position in Foreign Currency](#)".