

**Guide for Importers:
How to Subscribe
BOPREALs?
(Bonds for the
Reconstruction
of a Free Argentina)**

February 6, 2024



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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What does BOPREAL mean?

BOPREAL stands for Bond for the Reconstruction of a Free Argentina in Spanish. BOPREALs are US dollar-denominated securities issued by the BCRA for importers with overdue debts for goods with customs registration and/or services actually rendered until December 12, 2023.

BOPREALs offer a transparent, orderly, non-discriminatory and effective solution to the historical growth of commercial debts abroad triggered by a foreign exchange delay and the ensuing lack of foreign currency, which makes it impossible to meet obligations immediately.

Characteristic Features

The main characteristics of the short-, medium-, and long-term series are summarized in the table below. For the time being, only the longest duration series—final maturity on October 31, 2027—has been auctioned.

This series will accrue an annual nominal interest rate of 5% and will be calculated on the basis of months of thirty (30) days and years of three hundred and sixty (360) days (i.e., 30/360). As of March 1, 2024, this bond will be divided into 4 independent series (strips), under conditions identical to the original bond, except for the early redemption option for the holder. Series 1A, Series 1B and Series 1C (except for Series 1D) will further have the following benefits: the holder will have an early redemption option (in pesos converted at the benchmark exchange rate of the date the early redemption option is exercised), and the bonds may be used for the payment of taxes during specific periods for each series (see table below). In addition, importers that subscribe BOPREAL Series 1 before January 31, 2024, will enjoy additional benefits: 0% PAIS tax rate, and an authorization to access the Free Foreign Exchange Market (MLC, in Spanish) as from February 1, 2024, for up to 5% of the total value of BOPREAL Series 1 to the extent that the bonds subscribed represent at least 50% of the importers' total debt.

Importers subscribing Series 2 and 3 will have shorter terms to access foreign currency. However, they will not be able to exercise an early redemption option nor may they use these series for the payment of taxes. In addition, the amounts issued for Series 2 and 3 will be limited due to the difficulty of committing a significant portion of foreign currency in the near future. Therefore, these series will have award mechanisms that will set a limit on subscribers. The BCRA forecasts that Series 2 and 3 will mostly be awarded to small- and medium-sized enterprises (SMEs) and that the enterprises' nominal quotas will be limited. The mechanism of award will be based on the information derived from the registry of foreign commercial debts jointly prepared by the Federal Administration of Public Revenue (AFIP, in Spanish) and the Secretariat of Trade. Therefore, Series 2 and 3 are expected to be auctioned from February 2024, given the time required to process and analyze such information.

	Series 1				Series 2	Series 3
Maturity	October 31, 2027				June 30, 2025	May 31, 2026
Subscription currency	US dollars (delivering pesos, which are converted at the benchmark exchange rate set forth by Communication A3500 of the day before the auction date)					
Payment currency	Us dollars (except where an early redemption option is exercised)				US dollars	
Amortization	Two installments every six months (April 2027 and October 2027)				Twelve monthly installments (from July 2024 to June 2025)	Three quarterly installments (from November 2025 to May 2026)
Interest	5%				0%	3%
Payment of interest	Every six months (first payment in October 2024)				Annual nominal	Quarterly (first payment in August 2024)
Transferable	YES.					
Quotation	YES.					
Strips (nominal value)	Yes, as from March 1, 2024				NO.	
Subseries	A	B	C	D		
Strip percentage (original nominal value)	20%	20%	30%	30%		
Early redemption option for the holder	From April 2025	From April 2026	From April 2027	NO.		
Redemption currency	Pesos					
Eligible for tax payment	From April 30, 2025 to April 29, 2026	From April 30, 2026 to April 29, 2027	From April 30, 2027 to October 31, 2027	NO.		
Additional benefits for subscriptions made up to January 31, 2024						
PAIS Tax	Exempted until January 31, 2024					
Access Exceptional access to MLC	An exceptional authorization to access the MLC as from February 1, 2024 for up to 5% of the total value of BOPREAL, to the extent that the amount subscribed by the importer represents at least 50% of the importer's total debt. Additionally, they may repay the remaining debt out of foreign currency inflows from exports (see question 7).					

Frequently Asked Questions

1. Who can subscribe BOPREALs?

Natural and legal persons with overdue debts owed to creditors abroad for imports of goods with customs registration prior to December 12, 2023, and for the import of services actually rendered prior to the same date.

2. How to subscribe BOPREALs

BOPREALs must be subscribed through a financial institution. The documents to be submitted are similar to those required to access the MLC for the repayment of debt from imports.

3. What currency is used for the subscription of BOPREAL?

BOPREALs are denominated in US dollars through a technical ticket, delivering pesos, which are converted at the benchmark exchange rate (set forth by [Communication A3500](#)) of the day before the auction date.

4. How many BOPREALs can be subscribed?

Importers may subscribe up to the amount of the overdue debt. In the case of importers of goods, the amount is recorded in the monitoring system for the payment of imports of goods (SEPAIMPO, in Spanish). Importers of services must make an affidavit informing the bank of their overdue debts, which must be consistent with those reported to the registry of commercial debt from imports owed to foreign suppliers prior to January 10, 2024, as set forth in Section 10 of the Joint General Resolution 5466/23.

5. Can a holder of BOPREALs exercise an early redemption option?

Only the holders of BOPREAL Series 1A, 1B and 1C—stripped from BOPREAL Series 1 (nominal value)—will have the right to exercise an early redemption option as from the date determined for each series and until the bond's maturity date. The early redemption option will be exercised through the session of the SIOPEL system and will be settled, as stated in [Communication A3500](#), at the benchmark exchange rate of the date the early redemption option is exercised.

6. When are importers allowed to access the forex market to repay debt incurred prior to December 12, 2023?

Pursuant to [Communication A7917](#), importers must obtain the BCRA's prior authorization to access the forex market for the repayment of debt incurred prior to December 12. As an alternative, BOPREALs may be used for an easier access to foreign currency, whether through the collection of interest or principal upon maturity, or through the sale of the bonds in the secondary market in exchange for dollars paid abroad. In addition, if Series 1 bonds are acquired before January 31, 2024, importers may be exceptionally authorized to access the forex market as from February 1, 2024, for the payment of imports of goods and services that occurred prior to December 12, 2023, for up to 5% of the total value of BOPREALs Series 1 acquired in the primary

auction, to the extent that the participation in such bonds represents at least 50% of the total debt for imports of goods and services as of December 12, 2023.

See supplementary information in the next question.

7. Do importers subscribing BOPREAL Series 1 before January 31, 2024 enjoy special benefits?

Yes. They depend on the percentage of debt subscribed in primary auction before January 31, 2024.

- The amount subscribed will not be subject to PAIS tax, regardless of the percentage of debt subscribed.
- Importers subscribing BOPREAL Series 1 for at least 50% of the debt prior to December 12, 2023 will be able to access the forex market as from February 1, 2024, for up to 5% of the amount subscribed. Additionally, importers may repay the remaining debt out of foreign currency inflows from exports which would be collected from March 1, 2025—according to the regulatory terms—for up to 10% per month so that in 10 months they may be paid off ([Communication A7941](#)). They will also be entitled to pay off debts in advance if they collect in advance the exports that would be received in the same period (i.e. at a rate of 10% per month as from March 2025).
- In the event that the subscription of BOPREAL Series 1 is less than 50% but equal to 25% of the debt or higher, importers will be allowed to pay the unsubscribed portion with up to 50% of the foreign currency inflows from exports that would be received from March 2025, under the same scheme as in the previous case (i.e., for participation over 50% but at a rate of 50% of the future inflows from export collections as from March 2025).

8. Do MSMEs have a different choice for accessing the MLC?

Yes. Under [Communication A7952](#), both natural and legal persons classified as MSMEs with debts for USD500,000 or less will be able to access the MLC to pay their debts in three months. As from February 10, 2024, they will have access for up to USD50,000; as from March 10, 2024, they will have access for an additional amount of USD100,000; and as from April 10, 2024, they will have access for the remaining amount of the recorded debt. In all cases, the access to the forex market will be allowed on a temporary basis.

See supplementary information in the next question.

9. May importers of goods and services repay debts incurred prior to December 12 by other means?

Such debts may be paid out of dollars held abroad. At present, importers may neither access the forex market nor buy the so-called MEP dollars. Neither can financing of imports or advances for exports be channeled to repay debts incurred prior to December 12. As a reminder, importers will not be entitled to access the MLC during 90 days if they have conducted exchange transactions involving the sale/purchase of securities settled in dollars abroad, except where the funds involved are the proceeds of the sale of BOPREALs acquired in a primary auction for up to an amount equal to the difference between the sale value of BOPREALs acquired in the primary auction and its nominal value.

10. May debts be repaid out of dollars from the sale of BOPREALs in the secondary market?

Yes, provided that BOPREALs are sold abroad. The sale of BOPREALs in dollars in the domestic market does not allow importers to repay their debts from imports that occurred prior to December 12.

See supplementary information on next question.

11. How can importers with no account abroad access the secondary market to pay suppliers?

Under [Communication A7940](#), the BCRA exempted importers subscribing BOPREAL Series 1 in primary auctions from the regulation that prevents the settlement of securities in foreign currency abroad in third parties' accounts. The measure allows importers to settle securities in foreign currency in third parties' accounts held in countries that apply the recommendations of the Financial Action Task Force (FATF).

Importers subscribing BOPREALs in a primary auction can sell them in the secondary market to cover the difference between the proceeds from the sale of BOPREALs and the so-called CCL dollar (for purchasing securities in pesos and selling them in dollars abroad) and request the broker to deposit the resulting funds in a third party's account (for example, the foreign supplier), provided that the market value of these transactions does not exceed the difference between the sale value and the nominal value, if the latter is higher than the former.

12. Will importers be denied access to the MLC for 90 days if they sell BOPREALs in the secondary market?

The sale of BOPREALs in the secondary market settled in dollars does not prevent importers from having access to the forex market for all other eligible transactions as long as the bonds have been acquired in a primary auction. The sale in the secondary market of BOPREALs having been acquired there are computed in the same way as the purchase/sale of any other security in terms of restricted access to the forex market (paragraphs 3.16.3.1. and 3.16.3.2. of the foreign trade and exchange regulations).

13. Is there any sale of securities abroad that should not be included in the affidavits set out in paragraphs 3.16.3.1. and 3.16.3.2. of the foreign trade and exchange regulations?

Yes. If the BOPREALs have been acquired in the primary market, the affidavits should not include the sale of securities in foreign currency abroad or transfers of securities to depositories abroad that take place as from April 1, 2024, where the market value of these transactions does not exceed the difference between the sale value of BOPREALs acquired in the primary auction and settled in foreign currency abroad and their nominal value, if the latter is greater than the former.

14. May BOPREALs be directly allocated to repay commercial debts?

Yes. If the creditor so agrees, the bonds may be transferred for repayment. The exchange of BOPREALs (acquired in a primary auction) for foreign currency (transferred to Euroclear accounts held abroad) does not prevent importers from having access to the forex market for all the other eligible transactions.

15. May BOPREALs be subscribed for repaying debts incurred prior to September 1, 2019?

Yes. Importers may subscribe BOPREALs for any debt incurred prior to September 1, 2019, on condition that they submit an accountant’s certification of the debt, and such debt is presented in the financial statements.

16. Is the PAIS tax levied on the subscription of BOPREALs?

Any subscription of BOPREAL conducted prior to January 31, 2024, is exempt from the so-called PAIS tax (i.e., a 0% tax rate is applied). Afterwards, subscriptions will be subject to the PAIS tax depending on the tariff position of the goods imported (Mercosur Common Nomenclature (NCM, in Spanish)) or the type of service, as set out in Executive Order 72/2023.

In particular, Series 2 and Series 3 are expected to be subject to tax, as there is currently no plan to offer them before February 2024.

17. May BOPREAL be subscribed for debt owed to related companies?

Yes. They may be subscribed for debt related to either goods or services.

18. May all BOPREAL series be traded in the secondary market?

Yes, all of them. Initially, only Series 1 and 3 were eligible for trading in secondary markets. However, based on the request of companies interested in acquiring Series 2, the BCRA established that Series 2 may be traded in secondary markets as well.

19. May BOPREALs be used to pay any taxes?

According to Executive Order 72/2023 and Resolution 5469/2023 issued by the AFIP, Series 1A, 1B y 1C may be used to pay taxes and customs duties that are collected and applied by the AFIP. The bonds shall be calculated at their technical value based on the exchange rate set under Communication A 3500 by the BCRA or the financial exchange rate that derives from the purchase/sale of securities, as informed by the AFIP on a given date, whichever is higher.

20. Is there any limit to the amount of taxes that can be paid using BOPREALs?

Executive Order 72/2023 set a ceiling of USD3.5 billion, which were then regulated by the AFIP in terms of Series 1A, 1B and 1C based on the following table:

SERIES	MAXIMUM VALUE	TERM
1A	USD1,000,000,000.	From (and including) April 30, 2025, through April 29, 2026.
1B	USD1,000,000,000.	From (and including) April 30, 2026, through April 29, 2027.
1C	USD1,500,000,000.	From (and including) April 30, 2027, through October 31, 2027.

21. Is there any risk that more BOPREALs eligible for tax payment than those announced by the AFIP will be issued?

No. The BCRA has announced that the maximum amount issued under Series 1 will be USD5 billion (nominal value), which is in line with the maximum amounts determined by the AFIP for each of Series 1A, 1B and 1C.

Regulatory Framework and Related Information

[BCRA Release on BOPREAL](#)

[Communication A7952](#)

[Communication A7941](#).

[Communication A7940](#)

[Communication A7935](#)

[Communication A7925](#)

[Communication A7918](#)

[Communication A7917](#)

[Communication A3500](#)

[Communication B12695](#)

[Communication C96983](#)

[Executive Order 72/2023](#)

[Secretariat of Trade / AFIP - Joint General Resolution 5466/2023](#)

[AFIP - General Resolution 5469/2023](#)

[AFIP - Registry of Commercial Debt from Imports Owed to Foreign Suppliers](#)

[Guide for importers \(v. February 6, 2024\)](#)

[Guide for importers \(v. January 12, 2024\)](#)

[Guide for importers \(v. January 2, 2024\)](#)